DOCUMENT RESUME

ED 324 487 CE 056 026

TITLE	To Review the Vocational Rehabilitation Program and H.R. 3053. Hearing before the Subcommittee on Education, Training and Employment of the Committee on Veterans' Affairs. House of Representatives, One Hundred First Congress, Second Session.
INSTITUTION	Congress of the U.S., Washington, D.C. House Committee on Veterans' Affairs.
PUB DATE	8 Mar 90
NOTE	96p.; Serial No. 101-40. Document contains some small type.
AVAILABLE FROM	Superintendent of Documents, Congressional Sales Office, U.S. Government Printing Office, Washington, DC 20402.
PUB TYPE	Legal/Legislative/Regulatory Materials (090) -- Viewpoints (120)
EDRS PRICE	MF01/PC04 Plus Postage.
DESCRIPTORS	Adult Basic Education; Employment Programs; *Federal Programs; Hearings; Job Skills; *Job Training; Postsecondary Education; *Program Effectiveness; *Program Improvement; Veterans; *Veterans Education; *Vocational Rehabilitation
IDENTIFIERS	Congress 101st

ABSTRACT

This document reports the oral and written testimony of witnesses at a Congressional hearing held to review the vocational program and examine H.R. 3053, which would allow the Secretary of Veterans' Affairs to issue exemplary rehabilitation certificates for certain persons discharged from the Armed Forces. Witnesses included Members of Congress, representatives of veterans' groups, the national employment director of Disabled American Veterans, and officials of the Vocational and Rehabilitation Service. Witnesses testified that veterans' education and rehabilitation programs are extremely cost effective and noted that more personnel are needed in order to do a better job of placing veterans in training programs. They also noted the difficulties of helping with some veterans' problems, such as lack of transportation, and recommended shortening the amount of time needed to be placed in programs. Some witnesses also noted that outreach provisions of the bill would be difficult to meet. Witnesses did not object to allowing some veterans' discharges to be changed, but differed as to which agency should handle the paperwork. (KC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

CE

TO REVIEW THE VOCATIONAL REHABILITATION PROGRAM AND H.R. 3053

ED324487

HEARING

BEFORE THE

SUBCOMMITTEE ON

EDUCATION, TRAINING AND EMPLOYMENT

OF THE

COMMITTEE ON VETERANS' AFFAIRS

HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

SECOND SESSION

MARCH 8, 1990

Printed for the use of the Committee on Veterans' Affairs

Serial No. 101-40

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

U.S. GOVERNMENT PRINTING OFFICE
32-737 WASHINGTON : 1990

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

CE 050 970

COMMITTEE ON VETERANS' AFFAIRS

G.V. (SONNY) MONTGOMERY, Mississippi, *Chairman*

DON EDWARDS, California
DOUGLAS APPLEGATE, Ohio
LANE EVANS, Illinois
TIMOTHY J. PENNY, Minnesota
HARLEY O. STAGGERS, Jr., West Virginia
J. ROY ROWLAND, Georgia
CHARLES W. STENHOLM, Texas
CLAUDE HARRIS, Alabama
JOSEPH P. KENNEDY, II, Massachusetts
ELIZABETH J. PATTERSON, South Carolina
JIM JONTZ, Indiana
L.F. PAYNE, Virginia
BRUCE A. MORRISON, Connecticut
GEORGE E. SANGMEISTER, Illinois
MIKE PARKER, Mississippi
BEN JONES, Georgia
JILL L. LONG, Indiana
PETE GEREN, Texas
GEORGE J. HOCHBRUECKNER, New York

BOB STUMP, Arizona
JOHN PAUL HAMMERSCHMIDT, Arkansas
CHALMERS P. WYLIE, Ohio
BOB McEWEN, Ohio
CHRISTOPHER H. SMITH, New Jersey
DAN BURTON, Indiana
MICHAEL BILIRAKIS, Florida
THOMAS J. RIDGE, Pennsylvania
JOHN G. ROWLAND, Connecticut
ROBERT C. SMITH, New Hampshire
CRAIG JAMES, Florida
CLIFF STEARNS, Florida
BILL PAXON, New York

MACK FLEMING, *Staff Director and Chief Counsel*

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT

TIMOTHY J. PENNY, Minnesota, *Chairman*

ELIZABETH J. PATTERSON, South Carolina
GEORGE E. SANGMEISTER, Illinois
LANE EVANS, Illinois
JILL L. LONG, Indiana
PETE GEREN, Texas

CHRISTOPHER H. SMITH, New Jersey
CHALMERS P. WYLIE, Ohio
THOMAS J. RIDGE, Pennsylvania

CONTENTS

March 8, 1990

	Page
To Review the Vocational Rehabilitation Program and H.R. 3053	1

OPENING STATEMENTS

Chairman Penny	1
Hon. Chris Smith	2

WITNESSES

Alvarez, Robert L., National Service Director, the Military Order of the Purple Heart	17
Prepared statement of Mr. Alvarez	62
Bennett, Hon. Charles E., a Representative in Congress from the State of Florida	2
Prepared statement of Congressman Bennett	37
Drach, Ronald W., National Employment Director, Disabled American Veterans	19
Prepared statement of Mr. Drach, w/attachments	70
Hoover, Richard, D., Past National President, Paralyzed Veterans of America	14
Prepared statement of Mr. Hoover	50
Horton, Grady, Deputy Chief Benefits Director for Program Management, and Dr., Dennis R. Wyant, Director, Vocational and Rehabilitation Service	5
Prepared statement of Mr. Horton	40
Rangel, Hon. Charles B., a Representative in Congress from the State of New York	4
Prepared statement of Congressman Rangel	39
Wilkerson, Philip R., Assistant Director, National Veterans Affairs and Rehabilitation Commission, the American Legion	16
Prepared statement of the American Legion	57

MATERIAL SUBMITTED FOR THE RECORD

Bill:	
H.R. 3053	27
Written committee questions and their response:	
Chairman Penny to Department of Veterans Affairs	85

TO REVIEW THE VOCATIONAL REHABILITATION PROGRAM AND H.R. 3053

Thursday, March 8, 1990

HOUSE OF REPRESENTATIVES,
COMMITTEE ON VETERANS' AFFAIRS,
SUBCOMMITTEE ON EDUCATION,
TRAINING AND EMPLOYMENT,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:15 a.m. in room 334, Cannon House Office Building, Hon. Timothy J. Penny (chairman of the subcommittee) presiding.

Present: Representatives Penny, Evans, Long, Smith of New Jersey.

Ms. LONG (Presiding). The meeting will come to order. The Chair will accept, for the record, statements by Chairman Penny and Mr. Smith of New Jersey.

[The statement of Chairman Penny follows:]

OPENING STATEMENT OF CHAIRMAN PENNY

The subcommittee will come to order. I want to welcome all of you here today.

We are reviewing two bills this morning. H.R. 3053, introduced by the Honorable Charles Bennett, would authorize the Secretary of Veterans Affairs to issue exemplary rehabilitation certificates for certain individuals discharged from the Armed Forces. H.R. 4089 would amend title 38, United States Code with respect to educational and vocational counseling for veterans.

Additionally, we are examining the implementation and effectiveness of the Vocational Rehabilitation program for service-connected disabled veterans, contained in Chapter 31, Title 38, United States Code. The purpose of this program is to enable disabled veterans to become employable, to obtain and maintain suitable employment, and to achieve maximum independence in daily living.

Congress has long placed a high priority on vocational programs and services for those who suffer disabilities while serving in our Armed Forces. Vocational rehabilitation services were provided as far back as 1917, when Congress enacted the War Risk Insurance Act. This legislation created a package of benefits for veterans of World War I which included vocational rehabilitation for service-disabled veterans.

Public Law 16 of the 78th Congress established a vocational rehabilitation program for veterans of World War II. This program was later expanded to include veterans of the Korean Conflict and Vietnam era. Also included were peacetime veterans who suffer disabilities while serving in the military.

Few changes were made in the structure of the vocational rehabilitation program until 1980, when Public Law 96-466, the Veterans' Rehabilitation and Education Amendments of 1980, was enacted. Title I of this act made extensive modifications in Chapter 31. In addition to broadening the scope of the program and creating new services, P.L. 96-466 shifted the focus of vocational rehabilitation from simple restoration of a veteran's employability to the next crucial step—assisting and enabling a veteran to attain and maintain suitable employment.

We want to examine many aspects of Chapter 31 today, but we particularly want to evaluate the quality and timeliness of vocational rehabilitation services provided to service-connected disabled veterans. Indications are this program is not the model

program it should be and could be if adequate resources were provided. We have in place a program which, if fully implemented, would provide the assistance and support necessary for our disabled veterans to achieve the level of satisfaction and self esteem which are derived from a job well done. Our first obligation and commitment is to those disabled in service to this country. The vocational rehabilitation program must be strong and vital if we are to meet that commitment.

Before hearing from our first witnesses, I want to yield to the ranking minority member of the subcommittee, Chris Smith.

[The statement of Hon. Chris Smith of New Jersey follows:]

OPENING STATEMENT OF HON. CHRIS SMITH

Thank you, Mr. Chairman.

Mr. Chairman, I appreciate your setting up this hearing today to review H.R. 3053, H.R. 4089, and the VA vocational rehabilitation program.

It seems as though many of the problematic areas within the VA vocational rehabilitation program are the same areas targeted for improvement in past reviews. Disabled veterans complain that they wait excessively long periods for evaluations and service and again must wait for a suitable job once they are prepared to work. this lengthy procedure, I'm afraid, could destroy anyone's motivation to work, and could be especially difficult for a disabled individual who has struggled to overcome countless obstacles already.

I realize that due to our less than ideal budgetary situation, the VA operates under constrained conditions and would benefit greatly from additional employees to carry out these services. As most of you are aware, our Committee has requested in its fiscal year 1991 Report to the Budget Committee, an additional 69 FTEEs for vocational rehabilitation services. I hope that this will come to fruition and serve to improve the delivery of services to disabled veterans.

H.R. 4089, I believe, will improve coordination of vocational rehabilitation services for individuals separating from service or preparing to separate from service and offer these individuals assistance when they need it most. The bill is a positive step in attempting to provide veterans quality service.

Mr. Chairman, I am pleased to see our witnesses here today and am confident that they will have many useful suggestions and recommendations for us to explore. I thank them for coming to testify and look forward to hearing their comments.

Ms. LONG. The Chair now recognizes Mr. Bennett.

STATEMENT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. BENNETT. Thank you, very much, Madam Chairman. In order to expedite your meeting, I will read just two paragraphs from the aforeprepared statement, which I've asked to be put in the record and then I will make a few remarks in addition.

Exemplary rehabilitation certificates are not a new idea. In fact, I was successful in having similar legislation passed in 1966, And from 1967 through 1982, veterans were able to apply for such rehabilitation certificates from the Department of Labor pursuant to Public Law 90–83.

During that period, 2,704 applications were filed and 1,339 certificates were issued, indicating that many veterans had successfully rehabilitated themselves subsequent to their discharge.

Unfortunately, the law was repealed at the request of the Department of Labor without notice to me, the person who introduced that legislation, without substantive Congressional input. So without floor debate and hidden as a three-line entry in Public law 97–306 (the expansive Veterans' Compensation, Education and Employment Amendments of 1982) the previous law was repealed.

Unlike the earlier law, H.R. 3053 places the responsibility on the Department of Veterans Affairs, which I believe is better equipped to handle the responsibility than the Department of Labor.

I do not need to remind you that the problems and needs of veterans are our problems and our needs. Soldiers helped us establish our democracy, and continue to defend our freedom. Nor do I need to remind us all of the value of rehabilitation.

However, as an example of the success of rehabilitation, I would refer to the 1988 Department of Veterans Affairs study that found that disabled veterans declared rehabilitated increased their income from an average of $2,765 pre-rehabilitation to $15,585 post-rehabilitation, and their Federal tax payments were increased by more than 600 percent.

You've allowed me to put the whole statement in, so let me say something else from the heart here about this. Congressman Doyle and I, veterans of World War II, came to Congress at about the same time in the 1940s. We came to the conclusion that there were many of our brethren who fought in that war who got discharges which were not the best kinds of discharges and, who were being hurt, crippled, in their opportunities for life because of a discharge which may or may not have been merited; but that's not the question. Suppose the discharge was merited; nevertheless, it could have been something quite unimportant, really, like, for instance, the person might have had excessive AWOLs. In my own experience of talking to people, it could be because their mother was ill, they felt they should get back to her and they were frustrated with the bureaucracy of government. For one reason or another, they went AWOL, not a terribly bad thing in view of the circumstance of their particular life and the complications of a teenaged young man trying to face the bureaucracy of a great big thing like the Army.

So, without any great moral culpabilty, many people were hurt by bad kinds of discharges. They can't be corrected because in order to correct them, you've got to show that a mistake of fact was made at the time. So, here you have people who have the potential of being great, constructive people in society who have a terrible burden on themselves to carry, with these kinds of discharges.

Now, the discharges will not be wiped out by this legislation, not at all, but you can get, under this legislation, a certificate of rehabilitation showing that you have conducted yourself properly for a 3-year period. It's a very humane thing. It is the sort of thing I think I'd like to see and my friend, Mr. Rangel, likes to see about our government.

We like to feel that our government is benign and wants to help if it can. This is a way in which you can help people to rehabilitate themselves. It is an inexpensive piece of legislation and I think it is very much merited.

[The prepared statement of Congressman Bennett appears on p. 37.]

Mr. PENNY (Presiding). Thank you, Charlie. I appreciate your testimony and couldn't agree more with the rest of your legislation.

Mr. Rangel, welcome.

STATEMENT OF HON. CHARLES B. RANGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. RANGEL. Mr. Chairman, Charles Bennett and I don't have an opportunity to chat or socialize very often, but we communicate through legislation, and dear colleagues. And find that on most all matters, we not only agree, but work together as a team, whether it is fighting drugs or trying to protect our veterans.

I am proud to sit next to him, as one who did not serve in World War II, but served in the Korean War. I joined the service in 1948. I was discharged in 1952. I joined as a high school drop-out; I was discharged as a high school drop-out. I had an Honorable Discharge, Purple Heart, Bronze Star Medal, with a V Device and felt proud of the contribution that I had been able to make during the Korean War.

I went back to high school, finished college, got a scholarship to law school, and was nominated as an Assistant United States Attorney. That included having to be investigated by the Federal Bureau of Investigation.

Mr. Chairman, I can't tell you how much sleep I lost thinking of all the things I had done in the Army from 18 to 22 years old, stupid, dumb, immature things that somehow, I had thought that the Federal Bureau of Investigation would be able to find out all of these things and my entire career would be shattered.

There is no question in my mind, as a member of Congress and having to review a number of dishonorable discharges, that young men who have served their country well but have been guilty of just poor judgment, have carried this stigma with them, been denied the opportunity to gain employment and somehow, there has been no tribunal for them to be able to say, "I made mistakes. I served my country well. I am entitled to an equal opportunity."

Charles Bennett gives a person the opportunity to say that. I am not disputing the judgment that has been made by the military. I am only asking for an opportunity to be judged rehabilitated. It is fair, it is equitable and, as Charlie Bennett says, everyone deserves a second chance.

Thank you, Mr. Chairman.

[The prepared statement of Congressman Rangel appears on p. 39.]

Mr. PENNY. Thank you, Charlie. We do appreciate both of you appearing before the committee today. Again, I want to assure each of you of my interest and support for your legislation. It would be my intent to move the bill out of this subcommittee in the relatively near future.

I don't have any questions of our two colleagues. Are there any members of the committee who want to question Mr. Rangel and Mr. Bennett.

[No response.]

Mr. PENNY. If not, we thank each of you for your participation.

Mr. BENNETT. Thank you.

Mr. RANGEL. Thank you. And I also thank the madam chairlady.

Mr. PENNY. With that, I also want to apologize for my tardiness. I think this is the first I haven't been here to start my own committee hearing right on schedule.

I am on a task force on economic issues; that task force was to have started at 8:45, and I was planning to participate in the preliminary discussions there and then sneak away to start the meeting at 9:00. As so often happens, that meeting did not start on time, so it caused my delay.

Consequently, I will submit my opening statement for the record, and we will move directly to call forward the witness from the Department of Veterans Affairs, Grady Horton, Deputy Chief Benefits Director, and we look forward to your testimony on rehabilitation issues.

STATEMENTS OF GRADY HORTON, DEPUTY CHIEF BENEFITS DIRECTOR FOR PROGRAM MANAGEMENT, DEPARTMENT OF VETERANS AFFAIRS, AND DR. DENNIS R. WYANT, DIRECTOR, VOCATIONAL AND REHABILITATION SERVICE

STATEMENT OF GRADY HORTON

Mr. HORTON. Thank you, Mr. Chairman, members of the subcommittee, I appreciate the opportunity to be here today. With me is Dr. Dennis Wyant, the Director of our Vocational Rehabilitation and Education Service. I would ask that my prepared statement be entered into the record.

We are here this morning to discuss the implementation of the improved Veterans' Vocational Rehabilitation Program, H.R. 4089 and H.R. 3053. The provision of vocational rehabilitation services is certainly one of the most important ways that a grateful Nation can recognize the sacrifices of service-disabled veterans and help these men and women move toward maximum independence and suitable employment.

Since the passage of Public Law 96-466, the Vocational Rehabilitation and Education Amendments of 1980, the number of service-connected disabled veterans in the Chapter 31 rehabilitation program has increased slightly. We have averaged 24,000 to 25,000 disabled veterans in programs of rehabilitation each year and currently have over 25,000 in the program.

In a recent study of over 4,000 of the veterans who have been rehabilitated since 1983, we found impressive gains in their earning capacity and in their ability to contribute once again to their country as independent, productive tax paying citizens.

In 1989, Secretary Derwinski and Secretary Dole signed a new agreement to work cooperatively toward the mutual goal of suitable employment for disabled veterans. This agreement will lead to the completion of local agreements in each state this year.

We are training our VR&C staff with the help of the Office of Assistant Secretary for Veterans' Employment and Training in the Department of Labor and the staff of the National Veterans' Training Institute in Denver. In fiscal year 1989, 120 of our VR&C staff completed a course of employment services training at the institute.

We are also networking non-Federal resources to help get the job done. For example, Mr. Chairman, in your district in Minnesota, the Community Vocational Services located in Mankato, Albert Lea and Rochester, provide employment services to some of our job-

ready Chapter 31 veterans who live in the New Richland and the Winona geographical area.

In Mr. Smith's district, we have obtained office space at no cost at Trenton State College in order to serve the disabled veterans in the Trenton-Hamilton township area in a more timely and responsive manner.

In an attempt to get more effective use of our personnel resources, we have developed a variety of innovations which utilize ADP technology to reduce the administrative burdens and provide up-to-date information services.

We will soon automate the Target system to generate subsistence allowance processing for the Chapter 31 program which will result in better service to the veterans, while reducing our administrative burden.

Looking to the future, the pilot program to provide educational and vocational information to certain service members who are within 180 days of separation is expected to result in a smoother transition to civilian life for many who will need our help making that transition.

In addition, we are preparing for the possibility that large numbers of active duty military personnel may be released from the military service in the near future. We anticipate using the contract authority that Congress has made available to provide most of these veterans with the services that they will need.

Mr. Chairman, a comment on pending legislation. We believe the provisions of H.R. 4089, with minor adjustment, will further improve the Chapter 31 program. We will be happy to work with you and your subcommittee on this, and express our appreciation for these enhancements.

Mr. Chairman, VA opposes H.R. 3053, believing it to be potentially harmful to veterans it is intended to help, by drawing attention to circumstances which are best left to the privacy of the individual. A similar program was repealed in 1982 with the support of the Department of Labor, because of their experience with the program.

Mr. Chairman, I'd like to say that we are proud of the quality of the people we have working in the VR&C program. Three out of the past four winners of the Olin Teague Award for Outstanding Rehabilitation Services have been from the ranks of our VR&C staff in the field. Many are involved at the local, state and national level in activities to promote the abilities of disabled American veterans.

This concludes my summary testimony, Mr. Chairman. I will be happy to answer questions.

[The prepared statement of Mr. Horton appears on p. 40.]

Mr. PENNY. Thank you, Mr. Horton.

I want to read to you a VA response to a question submitted by this subcommittee back in 1985:

"The typical VRS is responsible for an average of 167 Chapter 31 veterans. They are overburdened and unable to provide the level of quality services the service-disabled veteran deserves. At this time, the system needs more counseling psychologists in addition to more VRSs if we are to effectively rehabilitate a greater portion of our Chapter 31 veterans."

What is the average VRS caseload today?

Dr. WYANT. Mr. Chairman, it is a moving target, but at the end of the fiscal year, it was 220; now, at the end of last month, it was 228.

Mr. PENNY. 228?

Dr. WYANT. Yes, sir.

Mr. PENNY. Today, if we were back at the level of 1985 at a caseload of 167, we'd be looking at a significant improvement in the situation. In light of this increased caseload, can you explain why the President's budget included a cut in VRC staff?

Mr. HORTON. Mr. Chairman, we actually requested a cut from OMB.

Mr. PENNY. You requested a what?

Mr. HORTON. We requested an increase, I'm sorry, from OMB.

Mr. PENNY. Can you give me an idea of how large an increase?

Mr. HORTON. We requested 83 additional positions.

Mr. PENNY. Eighty-three?

Mr. HORTON. Seventy-three of those were additional VRSs; of the other ten positions, five of them were for counseling psychologist trainees and five were VRS trainees. That failed in the pass-back procedure and we, at this time, are having to make do as best we can.

I would point out that we are at this time about 15 over our budgetary staffing. Our budget staffing calls for 574 positions in the field; at this time, we are operating at 589. That is due to recognition by our Regional Office Directors of the needs of the program. They have taken that staffing essentially out of our other programs in order to beef up the VR staff.

Mr. PENNY. You may be interested to know, or you may already know, that this committee has recommended to the Budget Committee an increase in staffing for VR&C of 69 slots. We don't know where that is all going to come out at the tail end, but at least our number is comparable to the number that you initially recommended to OMB. We are very disappointed that that request was turned down at the Office of Management and Budget.

We were told during recent budget hearings that there has been a significant turn-over of VRS staff. To what do you attribute the turn-over if, in fact, this previous testimony is true?

Dr. WYANT. Mr. Chairman, as far as voc rehab specialists, that's a pretty stable position. There are about 150 out there. I think last year, we had a turn-over of about ten, which doesn't mean necessarily that they quit. Those could have been promotions into counseling psychologists; they could have been transfers to other positions or they could have been retirements.

We have a higher turn-over in the clerical and the quasi-professional staff: the testing people, clerks, secretaries. Perhaps, the high turnover could be the DVOPs at DOL, since they are an entry level position and have a pretty high turnover, but we are not aware of it with our voc rehab specialists.

Mr. PENNY. At the VRS level, you are not aware of a high turnover?

Dr. WYANT. No, sir.

Mr. PENNY. You are not denying that within other areas of the vocational rehab program that there might be a significant turnover rate?

Dr. WYANT. We have about a 30 to 35 percent turn-over rate at the clerk/secretarial level.

Mr. PENNY. What has DVA established as the acceptable length of time for a veteran to be in applicant status and also in employment services status?

Dr. WYANT. We've tried to make a goal realistic with the resources that we have and it is not necessarily the ideal goal. The goal, with the resources we have, we feel should be around 95 days.

Mr. PENNY. In applicant status?

Dr. WYANT. For applicant status, and around 275 days or 285 days for employment services status.

Mr. PENNY. I have noted that in other documentation, applicant status can range anywhere from 40 days to 159 days. Is there any good explanation for that variance?

Dr. WYANT. I believe so, Mr. Chairman. Of course, in any situation, we'd like to always do it in the most timely fashion that we can. It has strictly to do with the size of the workload in those areas and the economic conditions.

In your steel belt and industrial belt, where there has been a lot of unemployment, in the oil belt in the south and the midwest, we've really seen longer times there because of the economy. I guess if we had to attribute it to one thing, it would be that.

Mr. PENNY. The spread in employment services is also quite a large range and I assume the rationale for that is the same as the rationale for the delay in the applicant status?

Dr. WYANT. That is correct.

Mr. PENNY. All right.

Mr. HORTON. Mr. Chairman, it should be pointed out that our statistics showing the time in applicant status are somewhat skewed. A small number of veterans would file, when they filed their original claim for disability, also file a claim for vocational rehabilitation, so that the typical 120 to 180-day time that it takes to work the original disability claim is also factored into those cases.

Most veterans don't apply for voc rehab until after they get their notice of disability, so those statistics are somewhat related to the amount of time it takes to work an original claim.

Mr. PENNY. Thank you. I have some additional questions, but I'll turn the microphone over to the ranking Republican on our committee, Mr. Smith, and then allow Mr. Geren to ask some questions.

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman. I want to welcome our two witnesses to the hearing today. I was wondering, Mr. Horton, if you could tell us, on page 2 of your testimony you explain that approximately 40 percent of veterans completing initial rehabilitation evaluations actually went on to participate in the program.

To what do you attribute this 60 percent loss?

Dr. WYANT. For those who originally file an application, there will be a certain percentage that are found not to have an employment handicap. There will be another percentage who, for what-

ever reason, financial situations, will go ahead and get a job at this point and not continue. They do find work. The remainder is for sundry other reasons. They move to another location, family, whatever.

Mr. SMITH OF NEW JERSEY. You make reference in your testimony to veterans who, for one reason or another, interrupt participation in their rehabilitation program. How do you define interruption? What are the most common reasons participants have for interrupting the pursuit? Is it what you were getting at? Is there a movement out of the area?

Dr. WYANT. Certainly, there are a number of reasons. So many times with a VRS, I think that the layman would think that their job is strictly working with the person who is in a training program or providing employment services. Quite frankly, the hardest part of their job may be working with those in interrupted status.

The person's disability worsens or they have a nonservice-connected disability at this time and they need treatment to continue their schooling. Financial concerns seem to be a very large area and our VRSs have to be very resourceful sometimes on whether to try to get them a revolving fund loan or to try to find them a part-time job.

One of the areas that is very hard to work in is family problems and situations and with other members of the family. Transportation, finding a person an old clunker car so that they can get back and forth to school after their other car has broken down. It's an array of different issues and it is a very difficult job for the VRS.

Mr. SMITH OF NEW JERSEY. Do you believe that the Vocational Rehab Programs are cost-effective?

Dr. WYANT. Extremely, sir. In the study that we did with the 4,000, the payback in taxes showed an increase of 600 percent. It's one of those programs that we clearly think that we can show as very cost-effective, not to speak of what it does for the life of that disabled veteran and his or her family.

Mr. SMITH OF NEW JERSEY. Dr. Wyant, when will the four vacancies on the Rehabilitation Advisory Committee be filled?

Dr. WYANT. Right now, there are two positions that are filled. Michael D'Arco, the State Director of Veterans Affairs from New Mexico, and Chad Colley, past National Commander of the DAV. The remaining positions, either for reappointment or new appointment, are in the Secretary's office and under advisement at that level, sir.

Mr. SMITH OF NEW JERSEY. Thank you. One final question, Mr. Chairman. According to your statistics in your testimony, the average number of days for the veteran to secure a job once he or she is ready is now 283 days.

At what point do you consider a veteran declared "job ready"?

Dr. WYANT. It would be 60 days after they are in suitable employment. We watch them for 2 months after they enter suitable employment, but they are declared "job ready" at the point they have received all services and assistance necessary to be able to start interviewing prospective employers for immediate employment.

Mr. SMITH OF NEW JERSEY. Thank you. I yield back the balance of my time.

Mr. PENNY. Mr. Geren.

Mr. GEREN. No questions.

Mr. PENNY. We also want to welcome our subcommittee member, Lane Evans. While Lane is getting settled in, I'll get back to some of the questions I have for these two witnesses.

A purpose of the vocational rehab program, as defined in Chapter 31 of Title 38 is to enable service-disabled veterans to become employable and to obtain and maintain suitable employment to the maximum extent feasible.

How is this flexibility reflected in regulation? In other words, in what ways does VR&E define successful rehabilitation?

Dr. WYANT. Mr. Chairman, in the writing of the regulations on that, we pretty much mirrored the law and took a very strict definition because, when this program did change with the passage of Public Law 96-466, we wanted to make sure that these individuals completing this program were going into the line of work that they had been trained to perform.

As we have watched the program now for almost a decade, we think that perhaps we were too narrow because we don't give ourselves credit for those individuals that, for example, get a degree in accounting and don't become an accounting clerk but sell accounting machines.

We don't necessarily count those as rehabilated, or the person who decides to go on and get a Master's Degree, or maybe health concerns prevent that.

We have made an attempt to amend those regulations and, in the future, we think we will probably give credit to those people who go out and get something compatible with what the training would provide them.

Mr. PENNY. This does affect the way you record these veterans. What difference might that make in your statistics on successful placement, if that reasonable adjustment were made in your standards?

Mr. HORTON. As a ballpark estimate, it might double our success rate.

Mr. PENNY. That's interesting to note. Let me ask about the description of duties for counseling psychologists and vocational rehab specialists. Can you give me the distinction between those two categories of counselors?

Dr. WYANT. I'd be glad to, Mr. Chairman. My apologies to counseling psychologists for making this sound so simplistic for a very complicated job, but basically, it's the counseling psychologist that does the initial intake of a disabled veteran.

They take a lengthy personal history. They use either pencil and paper type tests or other types of manual dexterity tests, whatever, functional requirements, and they try to look at this person's abilities, interests, aptitudes, to determine whether the person has an employment handicap. Then, working with the individual, they develop an individual, they written rehab plan to follow through training and, hopefully, into suitable employment.

The vocational rehabilitation specialist is in the true sense a case manager. Hopefully, in most cases, they, VRSs, would be involved in developing the individual written rehabilitation plan and they would help the veteran work his way through this plan. If the

person would come into interrupted status or whatever, they help that person through all those things and launch that person into suitable employment.

Mr. PENNY. Is there any adjustment that you have made in terms of the ratio of personnel in each of those slots or the standards for each of those positions that were made necessary by program changes under Public Law 96-466?

Dr. WYANT. Mr. Chairman, we are seeing a lot of change there. As you know, basically, it was more a glorified education program prior to 96-466. The wisdom of the House and the Senate made it a true rehabilitation program. It's been a slow evolution.

Probably getting people—not probably, we have been getting people with higher qualifications, at least a 2-year Master's program for the counseling psychologist and an undergraduate degree for the vocational rehabilitation specialist and training in that area. It has been slow, but we are seeing the fruits of that effort at this time.

Mr. PENNY. On another matter, a provision of Public Law 101-237 established a pilot program to furnish employment and training information and services to members of the Armed Forces separating from active duty. This program is to be conducted by the Secretary of Labor in conjunction with the Secretary of Veterans Affairs and the Secretary of Defense.

Have DVA representatives, both central office and field staff, been closely involved in decisions made regarding the implementation of this pilot program?

Dr. WYANT. We have been working first on the periphery and now getting more deeply involved with this program. Last week, I did visit the initiation site at Jacksonville for the Disabled Program for the Navy and the Marine Corps.

Mr. PENNY. Were you involved concerning the location of test sites?

Dr. WYANT. Mr. Chairman, that was determined before VA became involved.

Mr. PENNY. Could you give me—and provide this for the record; I don't expect you to have it this morning—a detailed record of agreements, conversations, meetings, other documents, between DVA and the Department of Labor, regarding this particular program?

Mr. HORTON. We'll be pleased to.

(Submitted with responses to questions)

Mr. PENNY. One of DVA's primary responsibilities is outreach. The Department must do everything possible to ensure that veterans are aware of their potential eligibility for DVA programs.

In that regard, what routine outreach activity does VR&E employ and what are recent examples of special outreach efforts?

Dr. WYANT. Mr. Chairman, there have been several. First, the most basic that I would mention is that any person getting off active duty does receive full information on VA. That is step number one.

Step number two is if a person does file for VA compensation, they automatically receive an application and a pamphlet on our vocational rehabilitation program. With certain situations, unfortu-

nate ones I might add, like the Stark or the Iowa or the situation in Panama, we do make special outreach efforts.

For example, the most recent, in Panama, we did visit the disabled veterans in San Antonio at the hospital down there and actually, the last I heard, had at least one application for vocational rehab.

In most recent large-scale project that we did, there were 15,000 disabled veterans going to school under the Chapter 34 GI Bill that ended in December of 1989. We provided each regional office with the names of those 15,000 veterans that have potential eligibility for Chapter 31 voc rehabilitation.

Quite frankly, we think that's part of our increase in our workload today.

Mr. PENNY. Let me also ask about the training of personnel, VRSs and counseling psychologists, at the National Veterans' Training Institute in Denver. Given some of the additional responsibilities placed on these personnel in recent years, how valuable has that training program been to your department?

Dr. WYANT. Not only to our department, Mr. Chairman, but to the Department of Labor, I think as well, the training and networking that took place has just been extremely valuable. We've had many positive comments from the Department of Labor about what our people were able to add to clear up any misconceptions. It has shown how the two groups can work together.

We really can praise Labor for the opportunity to send our people to this. We have had nothing but positive comments back from NVTI, but, by the same token, we think that we played a healthy role for DOL.

Mr. PENNY. Are you planning to send groups to this training session again this year?

Dr. WYANT. It is in negotiation right now, Mr. Chairman, and we sure hope that we can.

Mr. PENNY. What numbers are we looking at?

Dr. WYANT. We had 120 last year. A number has not been set for this year, but we're going to bargain for every person that we can get in there, that they can spare the slot for.

Mr. PENNY. One hundred and twenty?

Dr. WYANT. That was last year, sir.

Mr. PENNY. How many of those were counselors? You've got two or three different categories of individuals that would have been eligible for this program.

Dr. WYANT. We would only have two categories that we would send to that, sir, our counseling psychologists and our voc rehab specialists. We will have to provide you that breakdown for the record.

(Subsequently, the Department of Veterans Affairs furnished the following information:)

Last year, we send 95 vocational rehabilitation specialists and 25 counseling psychologists.

Mr. PENNY. Fine. In your testimony, you suggest that H.R. 4089 should be amended to include those eligible individuals on an outpatient status. What would be your view of expanding this still fur-

ther to permit contact with eligible individuals in hospitals other than DVA or DOD facilities?

Mr. HORTON. Mr. Chairman, we would like to, in any way possible, get to the military personnel that are being discharged as soon as we can. So, if we can broaden the law as much as possible, that's what we'd like to see.

Mr. PENNY. What was that again?

Mr. HORTON. We would like to see it broadened as much as possible. We would like to reach people that are being discharged for disability as soon as possible and before they are discharged.

Mr. PENNY. What steps might be taken to facilitate that kind of contact and referral?

Dr. WYANT. Mr. Chairman, I have really been impressed with the CAP program in California, the Career Awareness Program, that I know the DAV and some other organizations have been involved in out there.

Our regional office director out there is telling us that by reaching these persons while they're still on active duty, in some cases, can just add tremendous help with our timing. In cases where the VA has the person's medical record by the time of discharge, this can cut off anywhere from 4 months to a year of precessing time.

The law already provides us the opportunity to put this person, if it's a long-term hospitalization, into a vocational rehabilitation program. This has been one of my goals ever since I've had this job and, quite frankly, with all the other things that we've had to do, we haven't put as much emphasis on it.

This is where we also really praise you on the DTAP Program because I think it's going to give us some history to show how effective and how helpful it can be for that person to quickly get into a rehabilitation program, rather than waiting for awhile to find out what it is. We're quite excited about it.

Mr. PENNY. Thank you. I want to ask two final questions and these questions relate to testimony that comes from the paralyzed veterans. PVA notes that a report on case management which was adopted by the Veterans Advisory Committee on Rehabilitation in January of 1989, has not been acted on or commented on by the Department.

When can we expect the DVA to comment on this report and why has it been over a year and nothing has been reported, as yet?

Mr. HORTON. Mr. Chairman, the study was submitted by the Advisory Committee on Rehabilitation to the former Administrator and the report was given to both Departments. We, in the Department of Veterans Affairs have gone through that report. Our VRSs are case managers and we have looked at those recommendations from our point of view.

Perhaps with the new Chief Medical Director shortly coming on board and a new Chief Benefits Director, and now that we have a new Secretary, it might be time to bring that issue up again.

Mr. PENNY. I think it certainly might be. PVA also charges in their statement that case management has not been utilized to its full potential, while a relationship between VBA and VHSRA has become increasingly fractured.

How would you respond to that?

Dr. WYANT. Mr. Chairman, it certainly could be better. As I talked about the caseload for each VRS of 228, if a person just looks, that's less than half an hour a month per veteran that the case manager can actually spend with that caseload.

I do think that they fight fires and do that type of networking when necessary, but it is certainly not under ideal conditions.

Mr. PENNY. Thank you, Doctor. Thank you, Mr. Horton, for your testimony. Are there any questions from other committee members at this point? If not, we appreciate your presentations this morning.

With that, we'll hear from a panel of representatives from our veterans' organizations. Mr. Richard Hoover is representing the Paralyzed Veterans of America. Mr. Ronald Drach is from the Disabled American Veterans. Mr. Robert Alvarez joins us from the Military Order of Purple Heart. Mr. Phil Wilkerson of the American Legion is also here.

I thank you for joining us. We will begin with Mr. Hoover as soon as all of you are settled at the witness table. We will proceed down the table from my left to my right, so that will take us out of the order in which I introduced you, but it will be easier to just move right down the table after Mr. Hoover's presentation.

STATEMENT OF RICHARD D. HOOVER, PAST NATIONAL PRESIDENT, PARALYZED VETERANS OF AMERICA

Mr. HOOVER. Mr. Chairman, Members of the Subcommittee, I am Richard D. Hoover, Past National President of Paralyzed Veterans of America. It is a pleasure to appear before you and the committee today. In addition to my oral statement, PVA has presented a written statement for the record.

I've had the honor of being appointed to the Veterans Advisory Committee on Rehabilitation, Department of Veterans Affairs, which was established by the Congress through Public Law 96-466, The Veterans' Rehabilitation and Education Amendments of 1980.

I have also served on the National Advisory Board on Technology and the Disabled, the Department of Health and Human Services, as well as participated in various employment programs for disabled individuals in my home State of Arizona.

On behalf of PVA, I wish to thank you for conducting this hearing and allowing us the opportunity to present our views on the implementation and effectiveness of the Department of Veterans Affairs Vocational Rehabilitation Program. Specifically, we will address the quality and timeliness of services provided to disabled veterans seeking to find and maintain a long-term employment.

In 1980, Congress passed Public Law 96-466, the Veterans Rehab and Education Amendments of 1980, which authorized the establishment of the Veterans Advisory Committee on Rehabilitation, of which I am a member.

The Advisory Committee on Rehabilitation became aware of significant problems in DVA's delivery of vocational rehabilitation services in 1986. To review service delivery issues, the Advisory Committee appointed a study group, which issued a report of their findings and recommendations in July 1988. That report, which

you referred to earlier, was adopted by the Advisory Committee on Rehabilitation in January 1989.

Mr. Chairman, I would like to highlight a few of the problem areas identified in the report. The first issue I want to discuss is the concept of case management and its inadequate use by vocational rehabilitation and counseling.

Case management is a comprehensive process of conducting and supervising an integrated system which delivers medical, social and professional retraining in an effort to assist veterans in achieving maximum independence in daily living and employment.

The rehabilitation process begins with the initial contact between the veteran and the Department. This first contact may occur either through DVA's medical care system or the benefits administration and continues through the followup and evaluation phase of actual employment.

To fully initiate the concept of case management, both Veterans' Health Service and Research Administration, VHSRA, and the Veterans' Benefit Administration, VBA, must make a commitment towards its use. A new entity must be developed or specific personnel must be allocated to VR&C, specifically as case managers.

The primary responsibility of these case managers would be to coordinate the veterans' goals along with the actions and goals of VHSRA and VBA. Such coordination would ensure effective rehabilitation of veterans toward the long-term goal of independence and employment.

The use of case management concept within VBA can become a complicated process. To illustrate the intricacies involved in case management, let me show you this schematic drawing, which I think has been provided to all of you, depicting all of the services which may be involved in the rehab process for specifically, in this case, paralyzed veterans.

Although this depiction appears overwhelming, let me assure you that case management has proven very successful in the private sector. Therefore, with appropriate staffing levels, training, designated vocational rehabilitation case managers and authorization for these case managers to work within both VHSRA and VBA, case management can be a successful tool for DVA.

Another problem area which the Advisory Committee's report discusses is the apparent lack of priority which Chapter 15, nonservice-connected pensioners receive with NVR&C. The report states that the Advisory Committee specifically noted responsibility for Chapter 15 pilot program was delegated from the DVA's central office to regional offices who neglected to initiate this Congressionally-mandated program.

Mr. Chairman, the Advisory Committee recommends that excessive decentralization of authority and leadership from DVA's central office be addressed. The development of a new entity which has the authority to deal with VHSRA and VBA is necessary to alleviate the problem centering around the Chapter 15 pilot program.

The vocational rehabilitation program for both Chapter 31 recipients and Chapter 15 recipients should be a priority within the Department. The services provided by VR&C enables veterans to once

again become independent, economically productive, taxpaying workers.

The report to which I've been referring was adopted by the Veterans' Advisory Committee on Rehabilitation in January 1989. Not only does the report describe several service delivery problems affecting VR&C, it also provides recommendations to address each identified problem.

It is disheartening that, although the report has been completed for over a year, DVA has not acted on any of the Advisory Committee's proposed recommendations.

Mr. Chairman, that concludes my oral statement. I'll be happy to answer your questions.

[The prepared statement of Mr. Hoover appears on p. 50.]

Mr. PENNY. Thank you, Mr. Hoover.

Mr. Wilkerson.

STATEMENT OF PHILIP R. WILKERSON, ASSISTANT DIRECTOR, NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION, THE AMERICAN LEGION

Mr. WILKERSON. Thank you, Mr. Chairman. The American Legion appreciates the opportunity to present comment on the current operation of the Voc Rehab Program as well as proposed legislation affecting the provision of vocational, education and employment counseling services.

First, Mr. Chairman, we wish to commend you for holding this timely hearing to consider the current level of service being provided disabled veterans, as well as educational counseling to veterans, service persons and other eligibles. This subcommittee last reviewed the vocational rehabilitation program in May of 1988.

The American Legion has, for the past several years, expressed concern about inadequate staffing in the VR&C Service an increasing caseload and an increasing problem of timely counseling and assistance.

The situation will continue to worsen in fiscal year 1991 as employment is proposed to be cut by five FTEE, while the Chapter 31 voc rehab workload is projected to increase by at least 2 percent, and the educational counseling workload is projected to increase by more than five.

These projections will be impacted by such factors as a significant number of eligible veterans switching from Chapter 34 to Chapter 31. There will also be applications from those veterans who did not participate in Chapter 32. Then there is the very real possibility of a significant reduction in the number of Armed Forces personnel in response to political changes in Eastern Europe and the Soviet Union.

For the current year, and in fiscal year 1991, the planned actions and allocation of resources in the VR&C Service, in our opinion, hardly address the critical problem of the lack of timeliness in providing services due to inadequate staffing. Efforts will focus primarily on improvements in the quality of service through additional training of professional staff and the use of contract services.

An increasing demand for educational counseling for veterans, service persons and other eligibles has severely strained counseling

staff resources at many regional offices. VR&C currently has established 51 counseling service contracts at 14 regional offices in an effort to better manage the non-Chapter 31 counseling workload.

Mr. Chairman, VA's data indicates that each vocational rehabilitation specialist is responsible for some 220 cases at any one time and, in some instances, more. With such heavy caseloads, overall service to the disabled veteran deteriorates, including communication, individual supervision and necessary followup.

In addition, it is taking longer and longer for veterans to even receive an initial appointment for a vocational counseling psychologist to evaluate their needs. Currently, it is taking an average of 94 days to get an appointment and this is expected to rise to 100 days next year.

Once a veteran has completed the program of education or training and is considered job ready, it is taking longer and longer to complete the employment stage. This is now taking 300 days on average as compared to 285 days in fiscal year 1989.

We believe there is a need for more effective case management, together with sufficient resources available to ensure disabled veterans obtain suitable employment upon completion of their program. The types of personal assistance provided directly by VR&C personnel are, by their nature, individualized and very labor intensive.

If the benefits and services are to achieve the goal intended by Congress in establishing the vocational rehabilitation program, additional staffing is urgently needed.

With respect to H.R. 3053, the American Legion is not supportive of this proposal in light of the proposed reduction in staffing resources in both VA and the Department of Labor for employment and training services to veterans.

The American Legion has no objection to the authorization of educational and vocational counseling to individuals under Chapters 30, 31 and the Montgomery GI Bill as provided under H.R. 4089.

Mr. Chairman, that completes my statement.

[The prepared statement of the American Legion appears on p. 57.]

Mr. PENNY. Thank you.

Mr. Alvarez.

STATEMENT OF ROBERT L. ALVAREZ, NATIONAL SERVICE DIRECTOR, THE MILITARY ORDER OF THE PURPLE HEART

Mr. ALVAREZ. Good morning, Mr. Chairman. The Military Order of the Purple Heart appreciates this opportunity to present our views on H.R. 4089 Voc Rehab and H.R. 3053. At this time, I would request that our formal statement be accepted for the record.

Under H.R. 4089, the Military Order of the Purple Heart's position is that the bill to amend Chapter 36 of Title 38, United States Code, to include educational and vocational counseling, is energetic and responsive to the needs of veterans. However, we have great reservations with the reality of the DVA being able to conduct the outreach implied or required.

There is a necessity for this outreach. I can cite one example. Last year, as a member of the President's Subcommittee on Employment of Disabled Veterans, I attended a forum in Fort Bragg, NC.

During this forum, it became readily apparent that there were many servicemen awaiting discharge for medical disabilities from 1 year to several months on a medical hold situation that did not know anything about vocational rehabilitation or the services available to them through the VA. Many of those men could have been in training and a program established already, prior to their discharge, so the need is there.

What we're worried about in the whole problem of this situation is there is presently the 100-day waiting or more for services to disabled veterans, Chapter 31 veterans, and for the counseling service. What, then, will be the new waiting period for the service-connected veterans? Are we going to talk about 200 or 300 days before you get these services with all these added responsibilities?

Granted, the services outlined would be beneficial to the veteran and ultimately to the Nation as a whole, but at a time when the DVA is privately saying something has to be cut, we don't have the money, and established a special committee under the guise of working on a comprehensive package covering eligibility for medical and compensation programs, this is clearly a move to cut eligibility and entitlement because they continue to refuse to be realistic in their actual needs.

What we are alluding to is that after "X" amount of years, you can't satisfy the needs of the recipients of one program, namely, the Chapter 31 program. How then is it possible to expand on a program and offer services to another, even larger, group of recipients?

Also under the voc rehab, as Dr. Wyant has stated, you have many dropouts in the voc rehab program and that's due to economics. The subsistence allowance paid to our disabled veterans under that program is not enough and it has to be raised.

Each year, the Military Order of the Purple Heart has said that we have to raise this to get it up at least to the level of the Chapter 35 recipients. We requested that a 7-percent increase be given to the Chapter 31 recipients to try to enable more people to exist and finish this training under the Chapter 31 program.

On H.R. 3053, the Military Order of the Purple Heart supports the idea of the rehabilitation certificate for certain individuals discharged from the Armed Forces with less than honorable discharges.

The offense or offenses that led to the discharge disqualifies them for being considered veterans for that period of service.

Therefore, we believe the DVA has no business in being involved in the adjudication or issuing of these certificates. This process would be better served being administered by the agency of original jurisdiction or even by the agency that would furnish services to a person receiving such a certificate.

As stated previously, DVA has neither the expertise, personnel or funds to administer this program. It would also detract and further impede the system of adjudicating benefits to honorably discharged veterans.

I thank you for this opportunity to present the views of the Military Order of the Purple Heart.

[The prepared statement of Mr. Alvarez appears on p. 62.]

Mr. PENNY. Thank you, Mr. Alvarez.

Mr. Drach.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you, Mr. Chairman. There is not much left to be said. I guess I picked the wrong seat this morning.

I am happy to be here representing the DVA to present testimony to you on our evaluation and review of the vocational rehabilitation program, specifically on the timeliness of services provided to disabled veterans.

I think before we look at that, though, Mr. Chairman, we have to ask whether or not the administration is willing to commit the needed resources to provide timely and quality services. I think, based on the testimony that came before me, including the VA's own testimony, the administration is not willing to make that commitment.

We have two or three different proposals, one, the original VA proposal which was, by comparison to what we've got, very liberal. Then we have the independent budget put together by the four veterans service organizations, which was a little bit more moderate, and then the House Veterans' Affairs Committee recommendations to the Budget Committee which is very similar to the one contained in the independent budget.

It is OMB and it is the administration that is blocking the increased resources needed to provide those types of services. It is interesting, because we have an increasing workload and declining resources to address those increased workloads.

I mentioned the independent budget and, as you know, that independent budget has been submitted to all members of the House and Senate, as well as other organizations and groups. The House Veterans' Affairs Committee, Print Number 6, Report to the Committee on the Budget, from the Committee on Veterans' Affairs, rejects the Administration's proposal, and we thank you very much for your support in that area.

Hopefully, we will be able to restore some monies to the vocational rehabilitation program to make the program better. According to certain documents available to us, in 1984, fiscal year 1984, VR&C had a field staff of 598 individuals. In 1989, that had declined to 569.

By comparison, caseloads increased from almost 7,000, from 25,967 to 32,871, so it is very obvious that the problem is not going to go away. It is going to get worse, unless the Administration is going to make those commitments.

I'm not going to spend much time at all on case management. Mr. Hoover covered that very adequately. I would just like to say, though, that that case management study that was submitted, and the only response we've seen so far is a letter of acknowledgment from Secretary Derwinsky has been received.

I think we owe a debt of gratitude to Dick Hoover and PVA for doing that study. Although it became an official report of the Veterans' Advisory Committee, the VA did not provide any staff support for that. PVA provided all the staff support and paid for all the travel of the people on the committee. We owe them a debt of gratitude for that report.

Hopefully, with the advent of these hearings, something will be done with that report and, as required by law, it should be submitted to Congress with the Secretary's Annual Report. I understand that it probably has not yet, only because of the timeframe in which it was submitted to the VA and the timeframe in which the Secretary must submit his report to Congress. I suspect it will be with the fiscal year 89 report which has not been submitted yet.

There is some good news to report, Mr. Chairman, that we're very pleased about. We understand that the voc rehab program will go on the so-called Target System, effective this July. That's the computerized system. There are three things that we see happening as a result of that that will improve the program.

Number one, it will speed payments. Right now, it takes anywhere from 30 to maybe 45 days for an individual to receive a payment after it has been approved. The Target System should speed that up to about 5 or 6 days, so that's an obvious benefit.

By virtue of that, the second benefit should be a limited number of inquiries for lack of payments because the payments will be there much faster, and it would also indicate that there would probably be a declining use or need to use the revolving fund loan.

All of this takes staff time to research on the inquiries, to chase them down, find the file, find out what has happened to it, and by virtue of it being on target, it will be a lot easier to follow.

DVA has no official position on any of the proposals contained in H.R. 4089 but we certainly have no objection to any of those provisions that are being enacted into law. One provision, however, we would like to comment on is where authorization would be given to VR&C staff to serve certain active duty personnel who are within 180 days of their discharge. We think that is very consistent with Public Law 101-237 and needs to be enacted, and we support that.

That concludes my statement, Mr. Chairman.

[The prepared statement of Mr. Drach, w/attachments, appears on p. 70.]

Mr. PENNY. Thank you.

Mr. Hoover, in preparing your report—and again, we appreciate your involvement in that whole process—what facilities did you visit?

Mr. HOOVER. Mr. Chairman, we tried to take a random sampling from around the country to give us some reliable return on the investigation we were concerned about. We visited the regional offices and medical centers at the following locations: Tampa/St. Petersburg, Richmond/Roanoke, Minneapolis, and Long Beach/Los Angeles.

Mr. PENNY. In general, what were the major problems with the provision of voc rehab that you observed at those stations?

Mr. HOOVER. One of the most uniform things that we were able to determine was that there was uniform lack of coordination between, at that time, the Department of Medicine and Surgery and

the Department of Veterans' Benefits, on their coordination in the transfer of veterans from one of the entities to the other.

There was redundancy of testing. There is a battery of tests that are available for clinical psychologists on the medical side and for the counseling psychologists on the benefit side.

Sometimes, for example, if a clinical psychologist liked to use a Wechsler IQ test, there were instances in which the counseling psychologist did not like a Wechsler, and maybe wanted to use a Stanford-Benet. That is just one specific example. We ran into that problem of redundancy on that spectrum of tests that were available.

There was a uniform lack of adequate FTEE in VR&C across the spectrum with a recognizable, significant, tremendous caseload of people that the VA system had to address that was significantly greater than that which was utilized in the private sector.

The biggest difficulty we had, though, I think, was in recognizing and trying to understand why the Department of Medicine and Surgery—I use that terminology, because the study addresses that specific language.

The Department of Medicine and Surgery had veered from what initially had been the purpose or the creation of the Veterans' Administration for, primarily, employment and vocational rehabilitation going back to colonial days, to purely a medical delivery entity with very little interest in vocational rehabilitation or the veteran from the holistic standpoint.

Mr. PENNY. In the area of coordination, would you view the problem more on the side of the Veterans' Health Service and Research Administration or on the side of the Veterans' Benefits?

Mr. HOOVER. Let me refer to BM&S, if I may, on the study. We had significant problems there. They just did not see their role as being one of vocational rehabilitation. That was one of the reasons the committee made the recommendation that a new entity be created, which would act as a coordinating entity for case management between the two specific agencies.

BM&S has very little interest in the provision of vocational rehabilitation services. It didn't see that as one of their roles.

Mr. PENNY. So, you think that coordinating entity would help to overcome this?

Mr. HOOVER. It was the opinion, unanimously, of the advisory committee that if we were going to be able to accomplish a true case management process, as is utilized in the civilian sector, that that would be necessary, yes, sir.

Mr. PENNY. Thank you, Mr. Hoover.

Ron, in your written testimony, you made the statement, "It is unconscionable that this Administration has determined that disabled veterans are less important than other disabled people." You make some reference to state/Federal rehab programs.

Is that to say that there are other programs that are superior? Would you want to list for us which programs are better and in what respects?

Mr. DRACH. Yes, Mr. Chairman, I'd like to comment on that. I want to go back a couple of years to when I first became involved in disability issues, outside of just veterans' issues back in the mid to late 1970s, I guess.

There was a lot of jealousy in the nonveteran community about the voc rehab benefits that were available through the VA by the nonveteran disabled population, because the VA system was looked at as a very good system, a very good program.

I haven't heard that lately. I don't hear the state or Federal system, which is available to nonveteran disabled people and what it is, it's the Department of Education funds all the various states to provide vocational rehabilitation to disabled individuals who are not eligible for VA voc rehab or who are not veterans.

The caseload in that federal/state relationship now is about 85 cases per VRS, and that's because the monies being allocated to that system are adequate enough to provide for that lower case level. It is very obvious again, when you compare that to 220, that there is an awful big disparity there.

Now, there was a question earlier about the turnover. Dr. Wyant indicated at least in the VRS area, the turnover is not really there right now. It was only ten last year, but I would tend to think that the ability to recruit and hire new people for these jobs as the turnover takes place, or to maybe retain, in the future, VA employees to do this, when they can go and have a much easier caseload in the state/Federal system, they are going to be able to do a better job.

I think those that are committed to doing a better job are going to have to look at that and say, "Well, if I can serve 85 people with quality service versus serving 220 people with a lack of quality service," we may see a lot of people jump ship.

Mr. PENNY. Thank you.

Bob, I noted in your testimony that you indicated you felt that the Department of Defense was the more appropriate agency to hand out these certificates and then you made some vague reference to perhaps another agency. Was that a reference to the Department of Labor?

Mr. ALVAREZ. Yes, it was, Congressman.

Mr. PENNY. That's the other possibility that we might want to think about. I believe that's the way it was handled up until 1982. While I'm supportive of the idea presented by Representatives Rangel and Bennett, we might want to further pursue that and think about some of the concerns you raised before we bring the bill up in subcommittee for a mark-up.

Mr. ALVAREZ. As I said, we are supportive of the idea, but we just don't think it's the best.

Mr. PENNY. I have no further questions of this panel. Chris, do you have questions?

Mr. SMITH OF NEW JERSEY. Thank you, Mr. Chairman.

Mr. Wilkerson, I noticed in your testimony that you pointed out in light of political events in Eastern Europe and the Soviet Union, there could be a large influx of veterans needing many of these services.

I think all of us are very encouraged with these rapid changes occurring in Eastern Europe. We just recently had Secretary Cheney and GEN Powell testify before the Foreign Affairs Committee, of which I am a member. And both spoke very strongly to the changes that are occurring in the military, not just with declining budgets but also with the collapsing of our force structure, and that

by the year 1995, we will have a much different active Army and reserve component in the field than we do today.

I was wondering if you could tell us—and perhaps all of the witnesses would want to comment on this—whether or not, in your view, the VA is getting adequately prepared for this influx which is likely to occur and the great demand which will be put on rehabilitation and vocational services?

Mr. WILKERSON. I think that, given the overall budgeting process, I don't believe VA was able to foresee these events, which have occurred very rapidly, in the preparation of the 1991 budget request.

I think this, perhaps, may be accommodated to some greater degree in next year's budget. However, I think the impact of these events and changing policies, whether or not there is a direct correlation, certainly will create a definite increased demand for services by people leaving the military service.

Any increase in the number of discharges will further impact an already severely stretched situation in the VA, so I believe that something definitely needs to be done, and soon, to address this problem in future years.

Mr. SMITH OF NEW JERSEY. Do you know if there is anything in place right now, in terms of analysis of the problem and what we can anticipate?

Mr. WILKERSON. No, sir, we don't.

Mr. SMITH OF NEW JERSEY. Not even ad hoc?

Mr. WILKERSON. No, we haven't reached that stage, as yet.

Mr. SMITH OF NEW JERSEY. Would anyone else want to comment on that?

Mr. DRACH. I'd like to comment on it. I agree with everything that Phil said, and I think the problem will be compounded because of the influx of new people. I think there have been some steps taken that have probably been more informal than formal up to the present time.

I put that blame more on the Department of Labor than I do on the part of the VA. The Department of Labor has a mandate in 101.237 to work with DOD and the Department of Veterans Affairs in developing a transition program for both disabled and nondisabled active military people within 180 days of discharge.

Of course, your bill would address that to some extent by allowing the VA to serve those individuals, but that particular service is long overdue. We have had individuals in military hospitals all too long, and not getting those types of services.

I think now that this TAP program, this Transition Assistance Program, is starting to move, the Department of Labor is starting to realize that they can't do this alone, that they are not supposed to do it alone, and that there is a significant role for the VA.

I don't think they are realizing it fast enough at the Department of Labor, but by contrast, Dr. Wyant testified that he went down to St. Petersburg I think last week, to hear and attend a briefing.

I find that kind of ironic, that an individual from the Department of Labor in Washington, D.C., went down to St. Petersburg to brief people down there, which is fine, but that a high level staff person of the VA had to go to St. Petersburg to get that briefing, why isn't that briefing taking place here in Washington between

DOD, VA and the Department of Labor? I don't see that working here.

Mr. SMITH OF NEW JERSEY. Would anybody else want to comment? Mr. Hoover.

Mr. HOOVER. I would just echo Mr. Drach's comments and simply add that I can't conceive of an already overburdened system to the degree that we have now, and its inability to address the needs that we have now among the Nation's veterans, being able to provide service that it is going to have to provide for any increase at all.

Mr. WILKERSON. Mr. Smith, I'd like to make one other comment. I believe the system used by the military service in selecting individuals for discharge has changed significantly. I'm not sure that they can identify, within projecting the 180 days for certain individuals to be released, perhaps some moreso than others.

This, as I understand it, is a very speedy process and an individual can be served short notice that he will be discharged within a relatively short period of time, which would effectively prevent the necessary coordination, I believe, with DOD and VA's outreach efforts in the military service.

Mr. SMITH OF NEW JERSEY. Mr. Drach and Mr. Hoover, you both identified the case management system as a real problem. As a matter of fact, in response to the chairman's questions, you began to elaborate.

There are a couple of questions I had with regard to that. What kind of increase in personnel do you anticipate a new system would require? What would be your ideal timeline for crafting and implementing and having on-line this new program?

Mr. HOOVER. That's a difficult question for me to respond to. The committee, in addressing the issues that we determined, was reluctant to identify a problem without making a recommendation for a solution. We had hoped that we would have a response and be able to perhaps work in some of those areas prior to, certainly, this time.

Mr. Smith, in response to your question, I guess I'm going to have to say that I can't give you a definitive answer on either of the two questions that you have asked. It is a difficult thing. It is a broad spectrum program which covers a lot of areas.

It would require tremendous coordination between the medical side and the benefits side, and some good management processes and procedures in developing a system, which would have the ability to transition that breach which presently exists between those two entities.

The committee determined, though, as I had mentioned earlier to the chairman, that under the present system, we did not see any way, with the rivalries that existed between the two entities, with the perception by the medical side that their mission only was oriented toward medicine and very little in the vocational rehabilitation area, that we would be able to change within so large a VA system, that philosophy.

The development of a structure and the manning of that particular structure I think would have to be addressed by a task group or a task force of some type.

Mr. DRACH. Based on the committee's recommendations, Mr. Smith, I don't think it would really impact a lot of new people or that it would require a lot of new people.

I think what we recommended, and I may be wrong, as I haven't read the study for a while now, we were really talking about a new entity more at the central office level to oversee it. We would still use existing employees out in the field to provide the case management.

One of the other problems associated with the medical side of case management that Mr. Hoover really didn't touch on was, in our opinion—the one thing that he did touch on was that the medical field didn't see voc rehab as their mission, that it was primarily medical care.

The other thing is, where there was case management going on in the medical care system, it varied as to who was responsible. In some cases, it was a GS-7. In other cases, it was a GS-11, maybe a GS-13. There was no consistency.

When the committee raised this issue a couple of years back, it was interesting because a couple of weeks after we had discussed it in the committee meeting, a directive came out of the Chief Medical Director. The committee was pretty happy that this had occurred.

After we sat down and we read it, we realized all it was was it was a reissuance of 1982 directive on case management, so they didn't do a darn thing except to reissue something that was already out in the field.

Mr. SMITH OF NEW JERSEY. Thank you. I yield back the balance of my time.

Mr. PENNY. I don't have any further questions. We do appreciate your presentations this morning. With that, the committee stands adjourned.

[Whereupon, at 10:30 a.m., the committee was adjourned.]

APPENDIX

I

101ST CONGRESS
1ST SESSION

H. R. 3053

To authorize the Secretary of Veterans Affairs to issue exemplary rehabilitation certificates for certain individuals discharged from the Armed Forces.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1989

Mr. BENNETT (for himself, Mr. FAUNTROY, Mr. ROE, Mr. FRANK, Mr. ATKINS, Mrs. COLLINS, Mr. FLAKE, Mr. NEAL of North Carolina, Mr. HUGHES, Mr. FUSTER, Mr. CLAY, Mr. BERMAN, and Mrs. BENTLEY), introduced the following bill; which was referred jointly to the Committees on Armed Services, Veterans' Affairs, and Education and Labor

A BILL

To authorize the Secretary of Veterans Affairs to issue exemplary rehabilitation certificates for certain individuals discharged from the Armed Forces.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXEMPLARY REHABILITATION CERTIFICATES.

(a) APPLICATION.—The Secretary of Veterans Affairs shall act on any application for an Exemplary Rehabilitation Certificate received under this section from any person who was discharged or dismissed from the Armed Forces under conditions other than honorable, or who received a general

discharge, at least three years before the date of receipt of such application.

(b) ISSUANCE OF CERTIFICATE.—(1) In the case of any individual discharged or dismissed from the Armed Forces under conditions other than honorable before or after the enactment of this section, the Secretary of Veterans Affairs may consider an application for, and issue to that person, an Exemplary Rehabilitation Certificate dated as of the date of issuance, if it is established to his satisfaction that such person has rehabilitated himself, that his character is good, and that his conduct, activities, and habits since he was discharged or dismissed have been exemplary for a reasonable period of time, but not less than three years.

(2) The Secretary of Veterans Affairs shall supply to the Secretary of Defense a copy of each Exemplary Rehabilitation Certificate which is issued, and the Secretary of Defense shall place it in the military personnel record of the individual to whom the certificate is issued.

(c) SUPPORTING MATERIAL.—For the purposes of subsection (b), oral and written evidence, or both, may be used, including—

(1) a notarized statement from the chief law enforcement officer of the town, city, or county in which the applicant resides, attesting to his general reputation so far as police and court records are concerned;

(2) a notarized statement from his employer, if employed, giving the employer's address, and attesting to the applicant's general reputation and employment record;

(3) notarized statements from not less than five persons, attesting that they have personally known him for at least three years as a person of good reputation and exemplary conduct, and the extent of personal contact they have had with him; and

(4) such independent investigations as the Secretary of Veterans Affairs may make.

Any person making application under this section may appear in person or by counsel before the Secretary of Veterans Affairs.

(d) RESTRICTION.—No benefits under any laws of the United States (including but not limited to those relating to pensions, compensation, hospitalization, military pay and allowances, education, loan guarantees, retired pay, or other benefits based on military service) shall accrue to any person to whom an Exemplary Rehabilitation Certificate is issued under subsection (b) unless he would be entitled to those benefits under his original discharge or dismissal.

(e) EMPLOYMENT OFFICES.—The Secretary of Labor shall require that the national system of public employment offices established under the Act of June 6, 1933, chapter

49, as amended (29 U.S.C. 49 et seq.), accord to any person who has been discharged or dismissed under conditions other than honorable but who has been issued an Exemplary Rehabilitation Certificate special counseling and job development assistance.

(f) REPORT.—The Secretary of Veterans Affairs shall report to Congress not later than January 15 of each year the number of cases reviewed by him under this section and the number of Exemplary Rehabilitation Certificates issued.

(g) IMPLEMENTATION.—In carrying out the provisions of this section the Secretary of Veterans Affairs may—

(1) issue regulations;

(2) delegate authority; and

(3) utilize the services of the Office of Personnel Management for making such investigations as may be mutually agreeable.

101ST CONGRESS
2D SESSION

H. R. 4089

To amend title 38, United States Code, with respect to educational and vocational counseling for veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 22, 1990

Mr. PENNY (for himself and Mr. SMITH of New Jersey) introduced the following bill; which was referred to the Committee on Veterans' Affairs

---

A BILL

To amend title 38, United States Code, with respect to educational and vocational counseling for veterans, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EDUCATIONAL AND VOCATIONAL COUNSELING; VOCATIONAL REHABILITATION.

(a) COUNSELING SERVICES.—(1) Chapter 36 of title 38, United States Code, is amended by adding at the end of subchapter II the following new section:

"§ 1797A. Educational and vocational counseling

"(a) The Secretary shall make available to an individual described in subsection (b) of this section, upon such individ-

ual's request, counseling services, including such educational and vocational counseling and guidance, testing, and other assistance as the Secretary determines necessary to aid the individual in selecting—

"(1) an educational or training objective and an educational institution or training establishment appropriate for the attainment of such objective; or

"(2) an employment objective that would be likely to provide such individual with satisfactory employment opportunities in the light of the individual's personal circumstances.

"(b) For the purposes of this section, the term 'individual' means an individual who—

"(1) is eligible for educational assistance under chapter 30, 31, or 32 of this title or chapter 106 of title 10;

"(2) was discharged or released from active duty under conditions other than dishonorable if not more than one year has elapsed since the date of such last discharge or release from active duty; or

"(3) is serving on active duty with the Armed Forces and is within 180 days of the estimated date of such individual's discharge or release from active duty under conditions other than dishonorable, including

those who are making a determination of whether to continue as members of the Armed Forces.

"(c) In any case in which the Secretary has rated the individual as being incompetent, the counseling services described in subsection (a) of this section shall be required to be provided to the individual before the selection of a program of education or training.

"(d) At such intervals as the Secretary determines necessary, the Secretary shall make available information concerning the need for general education and for trained personnel in the various crafts, trades, and professions. Facilities of other Federal agencies collecting such information shall be utilized to the extent the Secretary determines practicable.

"(e) The Secretary shall take appropriate steps (including individual notification where feasible) to acquaint all individuals described in subsection (b) of this section with the availability and advantages of counseling services under this section.".

(2) Chapter 34 of such title is amended—

(A) by striking out section 1663; and

(B) in the table of sections of such chapter, by striking out "1663. Educational and vocational counseling.".

(3) Sections 1434(a)(1) and 1641(a)(1) of such title are amended by striking out "1663,".

(4) Section 1797(a) of such title is amended by inserting "under section 1797A of this title or to an individual" after "individual".

(5) The table of sections of chapter 36 of such title is amended by adding the following new item at the end of the items for subchapter II:

"1797A. Educational and vocational counseling.".

(b) REHABILITATION UNDER CHAPTER 31.—Section 1502(1)(B) of such title is amended by inserting "Secretary of Veterans Affairs or the" after "over which the".

(c) HANDLING FEES.—(1) Section 1504(a)(7) of such title is amended—

(A) by inserting "(A)" before "Vocational";

(B) by redesignating clauses (A) and (B) as clauses (i) and (ii);

(C) by striking out "and licensing" and inserting in lieu thereof "handling charges, licensing"; and

(D) by adding at the end the following new subparagraph:

"(B) Payment for the services and assistance provided under subparagraph (A) of this paragraph shall be made from funds available for the payment of readjustment benefits.".

(2) The amendments made by this subsection shall apply only to payments made on or after October 1, 1990, or after the date of the enactment of this Act, whichever is later.

(d) AMOUNT OF ALLOWANCE.—Section 1508(c)(2) of such title is amended by inserting ", State, or local governmental" after "Federal".

SEC. 2. REPEAL OF CERTAIN REPORTING REQUIREMENTS.

(a) IN GENERAL.—Section 1642 and paragraph (3) of section 1798(e) of title 38, United States Code, are repealed.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 32 of such title is amended by striking out the item for section 1642.

SEC. 3. TECHNICALS.

Title 38, United States Code, is amended as follows:

(1) Section 1418(b)(4) is amended—

(A) by striking out the comma after "service" and inserting in lieu thereof "(i)"; and

(B) by inserting ", or (ii) has successfully completed the equivalent of 12 semester hours in a program of education leading to a standard college degree" before the semicolon.

(2) Section 1433(b) is amended by striking out "section 902 of the Department of Defense Authorization Act, 1981 (10 U.S.C. 2141 note)," and inserting in lieu thereof "chapter 109 of title 10".

(3) Section 1685(a)(1) is amended—

(A) by redesignating clauses (1) through (5) in the second sentence as clauses (A) through (E); and

(B) in clause (E) as redesignated by subparagraph (A), by inserting after "Department of Defense facilities" the following: "or facilities of the Selected Reserve of the Ready Reserve".

(4) Section 3013(a) is amended by inserting "or chapter 106 of title 10" after "of this title".

**Statement of the Honorable Charles E. Bennett
before the Subcommittee on Education, Training and
Employment concerning H.R 3503
March 8, 1990**

Mr. Chairman: Thank you and the distinguished subcommittee for this opportunity to testify on H.R 3053, a bill to authorize the Secretary of Veterans Affairs to issue exemplary rehabilitation certificates for certain individuals discharged from the Armed Forces.

I am sincere in my appreciation for the opportunity to talk with you today, because opportunity is what my legislation is all about. The opportunity for certain young men and women, who have volunteered to serve in the defense of our country, to be given a second chance in life.

For some former military members a second chance would take the appearance of an exemplary rehabilitation certificate (ERC). My legislation would allow certain service members to apply for ERC's upon proof of good conduct, but no sooner than three years after discharge. An ERC does not change the character of the military discharge, nor does it allow a person to honestly deny the type of discharge received, but it does give people the opportunity to have a fresh start. It also entitles the holder to special counseling and job development assistance at public employment offices.

As you are aware, with the exception of a relatively small number of Vietnam era draftees who are still on active duty, our country is wholly reliant on volunteers to staff our armed forces. Fortunately, because we have been very successful in attracting talented, ambitious, and industrious men and women to our country's service, we are able to be selective about who is offered the privilege of serving in our nation's defense.

Yet, even with the high caliber of today's recruits, youthful transgressions do occur. In many instances the person is immature; his or her mistake may be something as simple as being absent without leave, which in the youth's judgement may be for good cause, such as a tragedy at home. Sadly, some of these youthful transgressions may lead to a regrettable discharge. Of course, youthful transgressions occur to non-military members as well. Some even lead to criminal prosecution. But our system allows a simple mechanism for criminal offenders to have their records sealed, or they may be pardoned, so they may honestly deny having a record. A young person who volunteers to serve his or her country through our Armed Forces does not enjoy the same opportunity. A regrettable discharge stays with a person for life.

Exemplary rehabilitation certificate's are not a new idea. In fact, I was successful in have similar legislation passed in 1966, and from 1967 through 1982, veterans were able to apply for such rehabilitation certificates from the Department of Labor pursuant to Public Law 90-83. During this period, 2,704 applications were filed and 1,339 certificates were issued, indicating that many veterans had successfully rehabilitated

themselves subsequent to their discharge. Unfortunately, the law was repealed at the request of the Department of Labor, without notice to me, without substantive Congressional input, and without floor debate, hidden as a three line entry in Public Law 97-306, the expansive Veterans' Compensation, Education and Employment Amendments of 1982.

Unlike the earlier law, H.R. 3053 places the responsibility on the Department of Veterans Affairs, which I believe is better equipped to handle the responsibility and is more sympathetic to the problems and needs of veterans.

I do not need to remind you that the problems and needs of veterans are our problems and needs. Soldiers helped us establish our democracy, and continue to defend our freedom. Nor do I need to remind you of the value of rehabilitation. However, as an example of the success of rehabilitation I would refer to the 1988 Department of Veterans Affairs study that found that disabled veterans declared rehabilitated increased their annual income from an average of $2,765 pre-rehabilitation to $15,585 post-rehabilitation, and their federal tax payments over 600 percent!

A 1987 Department of Labor memorandum estimated the annual costs of this program to be $22,500. Although that figure may be slightly higher in 1990 terms, if we extract from the study just mentioned, the program would be a success if only 2 veterans were rehabilitated in this manner.

As members of Congress we often wear many hats. At times we are revenue producers. According to the Veterans Affairs study, H.R. 3053 would increase federal revenues by increasing the earning capability of recipients. At other times we are social workers. With passage of H.R. 3053 we can help folks who have helped themselves, by granting them an exemplary rehabilitation certificate.

I encourage this committee to enact this modest legislation. By doing so we will send the message that everyone deserves a second chance, especially those who have volunteered to serve our country.

Thank you for allowing me to testify.

TESTIMONY
OF
HONORABLE CHARLES B. RANGEL
OF NEW YORK
3/8/90

SUBMITTED TO THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS

Mr. Chairman and members of the Committee I appreciate this opportunity to testify before you on HR 3053, a Bill to authorize the Secretary of Veterans Affairs to issue exemplary rehabilitation certificates (ERC's) to certain individuals discharged from the Armed Forces.

It is true that many of this country's veterans, both men and women, who have received less than honorable discharges have difficulty obtaining meaningful employment because of the stigma that a "bad" discharge represents. In many cases these individuals can, with help, overcome the negative effects of a period of misconduct and become productive members of our society. These offenders are often young and immature who deserve every opportunity, however small, to right their past wrongs. Others in civilian life or at college are forgiven deeds which are less rapidly forgiven in a soldier. A rehabilitated person deserves the opportunity to clear his record and the ERC, I believe, will help achieve this.

The perception amongst many is that an other than honorable discharge characterizes an individual as undisciplined, rebellious, and untrustworthy; and that he or she will remain that way for the remainder of their lives. These discharges can be a barrier to employment even in cases where the discharged person has lived a credible civilian life. This perception persists despite the fact that only the dishonorable discharge requires a court martial and applies only to persons having been convicted of offenses usually recognized in civilian jurisdictions as felonious. The dishonorable discharge represents a very small fraction (less than 1%) of the total number of "other than honorable" discharges. General, other than honorable, and bad conduct discharges, however, represent almost 20% of the total discharges in the armed forces. It is this group of veterans that will benefit most from the ERC.

Also, the cost of the ERC program is very little and its potential to assist an otherwise stigmatized person is greatest in helping to restore lost self-esteem and help overcome what could become an enduring obstacle to achievement. If nothing else the ERC will give potential employers reason to take a second look at individuals who might otherwise be rejected immediately because of "bad paper."

I urge my colleagues to endorse these certificates and thank you for this opportunity to testify.

STATEMENT OF

GRADY W. HORTON

DEPUTY CHIEF BENEFITS DIRECTOR

FOR PROGRAM MANAGEMENT

DEPARTMENT OF VETERANS AFFAIRS

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING

AND EMPLOYMENT

HOUSE OF REPRESENTATIVES

MARCH 8, 1990

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to review the implementation and effectiveness of the improved chapter 31 vocational rehabilitation program, with particular emphasis on the quality and timeliness of services provided by our Vocational Rehabilitation and Counseling (VR&C) staff to service-connected disabled veterans, and to comment on legislation you are currently considering. I will also comment on other counseling programs which the Department of Veterans Affairs (VA) administers.

As you know, Mr. Chairman, Title I of Public Law 96-466, the Veterans Rehabilitation and Education Amendments of 1980, instituted a number of significant changes in the veterans' vocational rehabilitation program effective April 1, 1981. Not only did this law serve to broaden the scope of this program and create new services but, even more importantly, the comprehensive study leading to passage of Public Law 96-466 cited the need for a shift in the focus of the rehabilitation program. The recommended shift was from simple restoration of a veteran's employability, through training, to the provision of all services and assistance necessary to enable a veteran to achieve maximum independence in

daily living and, to the maximum extent feasible, to become employable and to obtain and maintain suitable employment.

Mr. Chairman, I would like to summarize where we are in the chapter 31 program today and review with you recent accomplishments and planned initiatives which have particular relevance to one of VA's highest priorities--rehabilitating service-connected disabled veterans.

During FY 1989, VR&C counseling psychologists conducted 30,745 chapter 31 initial rehabilitation evaluations, and provided personal and vocational adjustment counseling services to 8,710 other chapter 31 service-connected disabled veterans. In addition, similar evaluations were provided to 2,685 chapter 15 nonservice-connected disabled veterans to assess their feasibility for vocational training. The number of disabled veterans completing chapter 31 and chapter 15 rehabilitation evaluations has remained relatively stable over the past 5 years. An additional 3,302 nondisabled veterans and dependents were provided educational and vocational counseling services under other programs administered by VR&C, down from 5,538 during FY 1988. Public Law 100-687 will enable us to handle the expected increase in requests for counseling services under the chapter 30 program. There were six contract counseling centers in 1988. We have now increased the number of contract centers to 51 and anticipate further increases as community counseling resources can be developed.

During FY 1989, of the 30,745 service-connected disabled veterans who completed a chapter 31 initial rehabilitation evaluation, 12,219 were assisted in developing individualized rehabilitation plans and entered the chapter 31 program as participants. This represents 40 percent of those chapter 31 veteran applicants who completed an initial rehabilitation evaluation.

At present, 25,157 veterans are actively participating in a program of rehabilitation services. VR&C staff are also working with an additional 8,199 veterans who have interrupted their programs because of personal, academic, or health problems. Most are expected to return to active participation in a vocational rehabilitation program with the assistance provided by VR&C staff in resolving the problems which caused interruption. Of the disabled veterans currently participating in a program of rehabilitation services, 3,109 are considered "job ready" and are receiving employment services. The number of disabled veterans provided rehabilitation services has been increasing slightly over the past 5 years, averaging between 24,000 and 25,000 per year. We believe this increase in the number in the program, at a time when applications have not increased, reflects our emphasis on more comprehensive quality evaluation and rehabilitation planning resulting in fewer veterans discontinuing their programs.

VR&C staff assist veterans in acquiring suitable employment as a part of the chapter 31 program. The number of days for the average veteran to acquire such employment after becoming job-ready was 299 days in FY 1987 and is now 283 days. I must point out here, however, that the minimum number of days in employment service is 60 days, since a veteran is provided post-employment services for that minimum period prior to being declared rehabilitated.

VR&C field staff have been challenged by their workload and are working vigorously to provide quality services within reasonable time frames. We are sensitive to the potential impact of changes in the Department of Defense manpower strength and are preparing options to serve new service-connected veterans displaced from active military duty by reduction in force. We have done our best to retain qualified staffing at a level which will meet program needs. In the context of wise use of resources, we

appreciate the recent legislative change to the chapter 15 pensioners vocational training program contained in Public Law 101-237, the Veterans' Benefits Amendments of 1989. This change reduces the age at which vocational feasibility evaluations are required from under age 50 to under age 45. Of course, evaluation and training services continue to be available to those veterans 45 and over on request. Our experience with this program suggests, however, that the required evaluation should be eliminated, making this program totally voluntary. This change would help us to focus our staff resources on those veterans who have demonstrated a greater interest, motivation, and ability to return to gainful employment.

Public Law 96-466 authorized the VA to provide independent living services to participants in vocational rehabilitation programs. It also established a program of independent living services for seriously disabled veterans for whom achievement of a vocational goal is currently infeasible. A 4-year pilot program was established. Following an evaluation of the results of the pilot program, Congress extended this program through FY 1989, under the provisions of Public Law 99-576, the omnibus Veterans' Benefits Improvement and Health-Care Authorization Act of 1986. Public Law 101-237 made the independent living program a permanent part of the chapter 31 program effective December 18, 1989. Many disabled veterans initially receive independent living services as part of the medical rehabilitation process. However, VR&C staff have approved for participation in the chapter 31 independent living program approximately 270 very seriously disabled veterans since the program began in 1981.

Mr. Chairman, I would now like to provide you with an overview of improvements and recent program accomplishments which are enhancing the quality and timeliness of services to veterans in the chapter 31 program.

As you know, Public Law 96-466 required the appointment of an advisory committee to be known as the Veterans' Advisory Committee on Rehabilitation. The Committee, under the able leadership of Mr. Ronald W. Drach, National Employment Director, Disabled American Veterans, assesses the rehabilitation needs of veterans, reviews the programs and activities of VA designed to meet those needs, and offers recommendations to the Secretary concerning the administration of the veterans rehabilitation program. The Committee held its first meeting March 16, 1982, and has been active in reviewing the implementation and operation of the vocational rehabilitation program. One significant Committee initiative is the current evaluation of the chapter 31 program designed to analyze its effectiveness which is being conducted by VA's Office of Program Coordination and Evaluation. The Veterans Benefits Administration endorsed this recommendation. The report of this evaluation is due in the early summer of this year.

Mr. Chairman, as the Congress recognized in enacting Public Law 96-466, the success of the chapter 31 program is measured to a large extent by the numbers of disabled veterans who become suitably employed. Therefore, the provision of effective employment services is essential to the mission of VA's vocational rehabilitation program, and we have completed a number of initiatives to strengthen the employment services phase of the rehabilitation process.

First, we completed a revised and updated VA-Department of Labor employment services agreement between VA and the Department of Labor (DOL) which provides for a greater degree of cooperation in providing employment assistance to disabled veterans. In addition, a formal agreement was entered into with DOL to train VA's vocational rehabilitation specialist staff at the National Veterans Training Institute.

During FY 1989, 120 VR&C staff were provided employment skills training at the Institute to enhance their effectiveness in providing employment services to service-connected disabled veterans. Ongoing training of this type is critical to the effective operation of the disabled veterans vocational rehabilitation program.

Finally, as you know, in FY 1988, we created an Employment Task Force consisting of VR&C staff to study the obstacles to employment of disabled veterans in rehabilitation programs. The task force identified a number of constraints to effective delivery of employment services, including limited staff resources, the broad geographic distribution of disabled veterans, and the need for staff development in job placement skills. As noted above, we have already partially addressed the last issue through staff training at the National Veterans Training Institute. The Task Force also identified on-job training as an effective means of developing suitable employment. In particular, the use of training and work experience at no or nominal pay in Federal agencies has greatly enhanced the vocational rehabilitation program. We wish to thank the Committee for its support in expanding this authority to the use of State and local government agencies under Public Law 100-689.

We are working on a number of initiatives to further enhance the quality of services to veterans. We have developed a new quality review system which was implemented in FY 1989. The revised system is designed to reinforce quality aspects of rehabilitation work while noting areas of weakness and corrective actions needed. Additionally, in FY 1989, we implemented the VR&C Total Performance Management (TPM) system to measure and assess program management in terms of quality, timeliness, productivity, and effectiveness. In addition to these

initiatives, we are working to provide our field staff with state-of-the-art technology which can be used in the assessment of the veteran while reducing administrative overhead.

For instance, a computer-based system, currently under development, the Functional Assessment Review System (FARS), will allow the counseling psychologist conducting a rehabilitation evaluation to enter a variety of pertinent information about a disabled veteran from which the system will be capable of generating compatible vocational goals for consideration. Once the veteran selects a goal, the FARS would then print out the veteran's rehabilitation plan, including the goal, objectives to be achieved, and specific service providers available in the veteran's geographical location.

The installation of the chapter 31 Phase II Target payment system, now scheduled for installation on July 2, 1990, will remedy many of the payment and internal control problems experienced with the current outdated payment system. Subsistence award processing and other related functions will be comparable and compatible with other automated veterans' benefit delivery systems and more accurate and timely service to the veteran will be provided.

Mr. Chairman, vocational rehabilitation not only restores service-connected disabled veterans to lives of productivity and independence from government support systems, it has a long history of demonstrating its investment qualities for the Country. An example of this is taken from a study we conducted in FY 1988. We studied the pre- and post-rehabilitation histories of the 2,407 service-connected disabled veterans declared rehabilitated the previous year and found that these veterans increased their annual income from an average of $2,765 to $15,586, and their Federal tax payments over 600 percent. This is dramatic proof, we believe, of the dollars and cents logic of vocational rehabilitation.

Mr. Chairman, I am pleased to comment today on legislation which you are currently considering for the chapter 31 program. A part of the proposed draft provides an opportunity for servicemembers who are within 180 days of separation and veterans who are within a period up to 1 year following separation, and who may not otherwise be eligible for education benefits, to receive educational and vocational counseling through the VR&C program. We believe that this is a logical and reasonable approach to providing these individuals with the guidance they may need as they start a new phase of their lives. We would anticipate using our contract counseling resources for the majority of these cases.

A second part of this legislation addresses a "glitch" in title 38 which allows us to provide rehabilitation services to servicemembers who are in a hospital under the control of the Department of Defense while pending separation action due to disability, but does not allow us to carry out this activity if this same servicemember is in a VA facility. We believe that this proposed legislation corrects the problem. However, the language, as framed, addresses the care of the servicemember who is hospitalized, but does not provide for those individuals who are in a medical holding status and are being provided medical care on an outpatient basis pending separation for disability. We believe that it would be appropriate to include these individuals in the authority to provide services. We agree without comment on the other provisions in the proposed legislation.

Now, Mr. Chairman, I turn my attention to H.R. 3053, 101st Congress, a bill authorizing the Secretary of Veterans Affairs to issue an exemplary rehabilitation certificate (ERC) to certain individuals who were discharged or dismissed from the Armed Forces under conditions other than honorable, or who received a general discharge, at least 3 years before the date of receipt

of the application for the certificate. The Secretary may issue the certificate if it is established to his satisfaction that the applicant has been rehabilitated, that he or she has good character, and that the applicant's conduct, activities, and habits have been exemplary over a period of at least the last 3 years. The applicant is required to submit supporting material establishing rehabilitation. However, the bill authorizes the Secretary to make an independent investigation of the matter. The proposed bill would also require public employment offices to provide recipients of a certificate with special counseling and job-development assistance, but would prohibit provision of benefits under any Federal law to an ERC applicant unless the individual would have been entitled to those benefits under his or her original discharge or dismissal.

This bill is similar to legislation that established DOL Exemplary Rehabilitation Certificate Program in 1967, Public Law 90-83, which was later repealed by the Veterans' Compensation, Education, and Employment Amendments of 1982, Public Law 97-306. It is instructive to note that DOL supported the 1982 repeal because their experience with the ERC program showed it was neither cost-effective nor justified in their view. From the year of its inception in 1967 through 1981, the last year of the program, 2,704 ERC applications were received, and, of these applications, 1,359 ERC's were issued by DOL. Importantly, a 1972 study of the ERC program conducted for DOL concluded that certificate recipients had received few if any benefits in seeking and retaining employment. In their own judgment, only 11 percent of the recipients felt that the certificates had helped them. Even more telling is the fact that persons who inquired about the program said their major reason for not completing the ERC application was that it would not change the nature of their military discharge in any way, but would actually serve to

emphasize to the prospective employer that they had received a "bad discharge" from the military.

In addition to DOL's 14 years of experience showing that this program was not cost-effective, VA has several additional concerns about this proposal. First, we do not think it is advisable for VA to attempt to characterize the nature of an individual's private, nongovernmental conduct. If an individual can convince VA or any other government agency that he or she has been rehabilitated, it would seem that the person should be equally as able to convince a potential private employer of this fact. The granting of what amounts to a VA seal of approval in the form of an ERC appears to us to be unnecessary and beyond the scope of proper government activity.

In a period of serious budgetary constraint, it is difficult to justify the additional administrative burden this bill would impose on VA, especially when we already have seen the limited interest and dubious benefits of the similar DOL program. Without knowing how many petitions for ERC's might be filed, it is impossible to estimate with any precision what the additional cost of this legislation to VA would be.

For the reasons I have stated, VA opposes the bill.

Mr. Chairman, this concludes my testimony. I will be pleased to respond to any questions you or the Members of the Subcommittee may have.

STATEMENT OF
RICHARD D. HOOVER, PAST NATIONAL PRESIDENT
PARALYZED VETERANS OF AMERICA
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
HOUSE COMMITTEE ON VETERANS' AFFAIRS
CONCERNING THE DEPARTMENT OF VETERANS' AFFAIRS
VOCATIONAL REHABILITATION PROGRAM
MARCH 8, 1990

Mr. Chairman and Members of the Subcommittee, I am Richard D. Hoover, Past National President of Paralyzed Veterans of America. It is a pleasure to appear before you today.

I have had the honor of being appointed to the Veterans Advisory Committee on Rehabilitation, Department of Veterans Affairs (DVA), which was established by the Congress through P.L. 96-466, "The Veterans Rehabilitation and Education Amendments of 1980". I have also served on the National Advisory Board on Technology and the Disabled, Department of Health and Human Services as well as participated in various employment programs for the disabled individuals in my home state of Arizona.

On behalf of the Paralyzed Veterans of America, I wish to thank you for conducting this hearing and allowing us the opportunity to present our views on the implementation and effectiveness of the Department of Veterans Affairs, Vocational Rehabilitation Program. Specifically, we will address the quality and timeliness of services provided to disabled veterans seeking to find and maintain long-term employment.

The Vocational Rehabilitation and Counseling (VR&C) service provides assistance to veterans with service-connected disabilities to help them achieve maximum independence in daily living, to achieve employability, and to obtain and maintain suitable employment. It also operates career development centers, provides counseling services to veterans and members of the Armed Forces applying for educational and job training benefits. VR&C's three main areas of activity are 1) rehabilitation evaluation and planning; 2) counseling and rehabilitation services; and 3) employment services.

These services are among the most important in the entire area of veterans' benefits. VR&C carries out the Nation's commitment to help veterans disabled in military service to function independently and to obtain suitable employment. VR&C services, moreover, are beneficial to the Nation as they help restore disabled veterans to the status of economically productive, taxpaying workers. In my opinion, vocational rehabilitation should be one of the highest priorities of the Department of Veterans Affairs. Unfortunately, in reality, it is not.

In the context of catastrophic spinal cord injury, rehabilitation is the process by which medical, psychological, and social functions are restored or developed to the level which permits an injured person to achieve maximal personal autonomy and an independent, non-institutional lifestyle. In terms of vocational rehabilitation, autonomy and an independent, non-institutional lifestyle are primary goals advocated by Paralyzed Veterans of America (PVA) for our membership and all disabled Americans.

As you well know, vocational rehabilitation was conceptualized and designed initially for disabled veterans in the early 1900's. At this time, vocational rehabilitation was oriented toward training the disabled veteran to restore lost employability resulting from a disability. This approach was found to be inadequate in several areas. The Department of Veterans Affairs (DVA) began to realize that the rehabilitation process extended beyond pure vocational training into such areas as group counseling sessions. With the

enactment of Public Law 96-466, the "Veterans Rehabilitation and Education Amendments of 1980," a number of significant changes in DVA's Vocational Rehabilitation Program occurred. As a result of this legislation, the goal of vocational rehabilitation was redefined from simple restoration of the veterans' employability to actual employment.

The evolutionary process of vocational rehabilitation, which peaked in 1980 with the passage of the "Veterans' Rehabilitation and Education Amendments of 1980," also resulted in the establishment of the Veterans' Advisory Committee on Rehabilitation as well as the installation of the case management model. In 1986, the DVA Advisory Committee on Rehabilitation became aware of significant problems in DVA's delivery of vocational rehabilitation services. To review service-delivery issues, the Advisory Committee appointed a study group which issued a report of their findings and recommendations in July 1988. This report was adopted by the Veterans Advisory Committee on Rehabilitation in January 1989. Since the adoption of this report, PVA has testified before Congress regarding continuing problems surrounding vocational rehabilitation services within the Department of Veterans Affairs. We find it disheartening that the Department has chosen not to act or even comment on the Advisory Committees' recommendations since that time. The status of vocational rehabilitation programs has not improved. In fact, Mr. Chairman under the additional burden of a chronic lack of staff and resources, the situation has grown far worse.

There are several major factors affecting the ultimate ability of the Vocational Rehabilitation staff to fulfill the Department's mission of delivering vocational rehabilitation benefits in an efficient and timely manner. The most significant of these factors are:

1. the interaction between the Veterans Benefits Administration (VBA) and the Veterans Health Services and Research Administration (VHSRA),
2. proposed staffing reductions,
3. employee training programs,
4. the Vocational Rehabilitation Program for non-service-connected pensioners.

These four principal components, and management's ability to adequately control and influence the course of each, will determine the degree to which VR&C's mission succeeds.

CASE MANAGEMENT

In our attempt to assess VR&C's ability to interact with VA Medical Centers, what we see today is not what the 96th Congress envisioned when Public Law 96-466 was passed in 1980. With passage of P.L. 96-466, DVA initiated VR&C's use of the case management model. Case management is a comprehensive process of conducting and supervising an integrated system which delivers medical, social, and professional retraining in an effort to assist veterans in achieving maximum independence in daily living, and employment. The rehabilitation process begins with the first contact between client or veteran and the system--Department of Veterans Affairs--and continues through the follow-up phase of actual employment. This comprehensive approach of case management provides the capability for VR&C to evaluate and assess the progress of the veteran through the entire phase of rehabilitation. Case management is a tool which has proven successful in private vocational rehabilitation programs and, therefore, should be utilized by the Department to provide comprehensive rehabilitation to the veteran.

Due to the size of DVA and the number of veterans eligible for services which it provides, the process of case management has become an administrative nightmare for personnel within the Department. As a result, case management has not been utilized to its full potential, while the relationship between VBA and VHSRA has become increasingly fractured.

During a forum on the subject of vocational rehabilitation, the Committee on Disabled Veterans was told by a DVA counselor, "probably the single biggest obstacle facing the area of employment and disabled veterans is the need for a more coordinated approach in meeting their needs." This sentiment was also noted and expressed by the Veterans' Advisory Committee on Rehabilitation. The 1989 report by the Veterans' Advisory Committee on Rehabilitation, cited the inappropriate use of and lack of commitment to case management as a serious detriment to VR&C.

> "Obviously, the absence of a singular management philosophy and the lack of strong central direction, coupled with inadequate staffing and funding, is fostering chaos and confusion in a program that is supposed to be giving high quality, meaningful assistance to the enrolled veterans."

In addition to an adequate number of FTEE, VBA's vocational rehabilitation efforts can certainly be improved with management initiatives such as those recommended in the case management study adopted in January 1989 by the Veterans Advisory Committee on Rehabilitation. It is essential that the Secretary and the new Chief Benefits Director take action to enable this benefits program to be delivered by a cohesive and united team (including both VBA and VHSRA), one with identical objectives, and one that can prioritize vocational rehabilitation with the spectrum of all benefit programs and medical activities.

STAFFING:

The Administration has, once again, proposed a decrease in FTEE for this critical service. The President's FY 1991 budget removes five more employees from a service that is currently overwhelmed by caseloads which are totally unacceptable in other federal/state and private vocational rehabilitation programs. The total number of proposed FTEE, 640, is 74 fewer than recommended by the Independent Budget.

Mr. Chairman, both House and Senate Veterans' Affairs Committees have heard oral testimony from DVA Regional Directors as well as veterans' service organizations attesting to the unacceptable delays in processing vocational rehabilitation cases. Regional Directors have testified that in many areas of the Nation, the case load of vocational rehabilitation clients has increased while staffing and resources have not increased accordingly.

We have identified VA stations where the workload averages over 200 cases per counselor. A service-disabled veteran must wait over three months from the time the initial application is filed until an interview can be held with a counseling psychologist. Another 285 days will pass before the completion of the veteran's rehabilitation program and the point at which he is considered successfully employed.

As a comparison, private firms engaged in rehabilitation counseling attempt to see a client within 72 hours of the initial contact. Every delay during the course of one's rehabilitation will, they believe, diminish the benefits of the service.

Over the past several years, a trend has been noted whereby vocational rehabilitation specialists have been converted to counseling psychologists. Although the functions of a vocational rehabilitation specialist can be performed by a counseling psychologist, we are concerned that many counseling psychologists have not been adequately trained to function in the role of vocational rehabilitation specialists while performing the tasks of a counseling psychologist. In addition, PVA recognizes that there have been improvements in automated data processing, however, the continued loss of clerical staff coupled with proposals such as the Administration's recommendation to decrease VR&C FTEE by five more personnel will continue to take a heavy toll on the VR&C division as a whole.

PVA would like to express its appreciation to the Members of the House Committee on Veterans' Affairs for recommending an increase in the staffing of VR&C by 69 FTEE. This increase, if approved by Congress would provide one vocational rehabilitation specialist for every 135 cases. The Committee has properly recognized the dire need for additional personnel in this division. However, although we welcome your proposed restoration of desperately needed personnel, even by DVA standards, such a caseload represents twice that which can be expected by a DVA counselor's counterpart working in the private sector. Obviously, it will remain a difficult task to provide effective and efficient employment services to job-ready veterans.

Also in the area of staffing, the Department needs to begin looking to the future. We are all aware of the "peace dividend" resulting from the President's FY 1991 defense budget reductions. However, we believe the Department is not at all prepared for the increased enrollment of veterans and the demand for services that will stem from major reduction in active duty personnel. The President's budget proposes a reduction of 17,000 Army personnel in FY 1991, in addition to a 26,000 person cut in FY 1990. The

Navy would lose 6,000 sailors in FY 1991 and 2,000 in FY 1990. The Marines would begin to retire 14 artillery batteries while the Air Force would cut 15,000 personnel in FY 1991, beyond the 26,000 reduction in FY 1990. The effect of DoD reduction in forces must be addressed by DVA so VR&C staffing can be expanded and trained to meet these future needs.

TRAINING

Budget constraints have eroded another important aspect of the VR&C program. The service's ability to properly train their personnel has deteriorated significantly in recent years. Inadequate staffing, when coupled with inadequate or nonexistent training, has resulted in a totally unacceptable rate of incorrect decisions and determinations. We are, however, encouraged by the Regional Training Seminars that have been conducted to improve the quality of services provided. PVA is hopeful that this vital effort will be supported by an appropriate number of staff; otherwise, the progress to date will be seriously undermined.

Also to be taken into account in training of vocational rehabilitation personnel is the high turnover rate among VBA employees. Due to the high turnover rate in VR&C, a large portion of the personnel are trainees as opposed to seasoned professionals. Therefore, the Department is expending much of its resources and energy on orienting new staff to fill vacant positions, decreasing it's ability to offer advanced training to experienced personnel.

Chapter 31 of Title 38 U.S. Code requires that a program of ongoing professional training and development be provided to VR&C personnel. The goal of continuing education for vocational rehabilitation specialists is to enable them to offer veterans the most current and advanced knowledge in the area of professional retraining. Unless funding, staffing, and training opportunities are provided for VR&C employees, once again the veteran population will be shortchanged.

PVA is concerned also with the low priority given Chapter 31 cases by DVA Medical Centers resulting in an ever-increasing number of seriously disabled veterans who will be found to be infeasible for training. In terms of time and resources, it is significantly easier to fully rehabilitate an individual who is rated 20% or 30% than one who is rated 100% disabled. When budgets are low, this is a tempting way to go. Rehabilitation services to the seriously disabled are time-consuming, demanding, require creativity and initiative on the part of highly experienced placement specialists comfortable in the world of rehabilitation and work. The actual services provided, therefore, may be influenced by cost factors, particularly when weighed against the requirements of resources and time needed to successfully rehabilitate a catastrophically disabled veteran.

A positive vocational pattern, however, has been proven among a population of catastrophically disabled individuals in which recency of injury and shorter rehabilitation time-frames are becoming the norm. As far back as 1975, studies performed in the private sector illustrate, given adequate training resources, rehabilitation of severely physically disabled individuals result in a high percentage of positive vocational outcomes. In a study of the employment status of paraplegics and quadriplegics, the New York Institute of Rehabilitation Medicine noted impressive increases in positive vocational status by the second and third year of follow-up. In the fourth year of follow-up, 71 percent of paraplegics were employed as were 55 percent of quadriplegics in the study.

A 1986 survey by the International Center for the Disabled found that two-thirds of all disabled Americans between age 16 and 64 were not working. Of this group, 66 percent stated they would like to have a job. This sentiment also holds true in the veteran population. With vocational rehabilitation training offered by DVA, both service-connected and nonservice-connected veterans have the opportunity to become members of the workforce once again.

NONSERVICE-CONNECTED PENSIONERS

PVA is very concerned that Chapter 15 cases may be receiving a lower priority by VR&C than Chapter 31 cases. This fact was brought out in the report by the Veterans' Advisory Committee on Rehabilitation, which revealed direct evidence that the program was being ignored in Regional Offices and VA medical facilities.

In addition, the most recent three year trend reveals that the Department has been contracting out vocational rehabilitation services for an increasing percentage of Chapter 15 recipients. We are concerned that VR&C is not able to adequately monitor such referrals to ensure quality and prevent veterans from becoming "interrupted case status" statistics. Recent studies indicate that the number of such cases have indeed increased over the past year. Although PVA would prefer to have VR&C adequately funded and staffed in order to provide services to all eligible veterans, we recognize that, as the situation exists today, some of these services must be contracted out. This being the case, we believe the $5 million authored by Public Law 100-689 for among other things, contract rehabilitation services, could be used more effectively to enable VR&C to adequately monitor Chapter 15 cases that have been contracted out.

The point PVA is articulating, Mr. Chairman, is that vocational rehabilitation is a cost-effective program and should not be ignored or insufficiently funded for either Chapter 31 or Chapter 15 recipients. A DVA study of 2,407 veterans declared rehabilitated in 1987 illustrates our point.

The average annual earnings of these veterans prior to initiation of their rehabilitation programs was $7,687.53. After they completed rehabilitation programs, their average earnings were $15,047.85, an increase of 360 percent. The benefit to these disabled veterans in once again becoming productive workers is obvious, but difficult to quantify except in improved self-esteem and quality of life. The direct monetary benefit to state and federal governments in the form of taxes paid by the veterans studied can be quantified:

* State tax revenues rose from $375,550 to $2,166,096, an increase of 577 percent.
* Social Security taxes paid rose from $683,814 to $2,720,136, an increase of 360 percent.
* Federal tax revenues rose from $580,914 to $4,106,553, an increase of 707 percent.

These are not one-time revenue increases. These increases will occur year after year and at higher rates as a veteran's incomes increases. Providing the resources needed to deliver quick and effective rehabilitation to eligible disabled veterans is not only the right thing to do; it is the cost-effective thing to do.

PROPOSED LEGISLATION

H.R. 3035

H.R. 3035, authorizes the Secretary of Veterans Affairs to issue Exemplary Rehabilitation Certificates for certain individuals discharged from the Armed Forces under conditions other than honorable. The concept of providing special training and job development assistance from the Department of Labor (DOL), as an incentive for members of the Armed Forces who are other than honorably discharged to rehabilitate themselves, is commendable.

In order for a veteran to receive a rehabilitation certificate, as this legislation proposes, evidence must be provided to support the veteran's rehabilitation efforts. Such evidence may include notarized statements from law enforcement individuals, employers, and personal references along with independent investigations performed by DVA. Based on such evidence, the Secretary of the Department of Veterans Affairs, may issue an Exemplary Rehabilitation Certificate to the veteran who will then be eligible for employment assistance from DOL. PVA supports H.R. 3035 and commends Representative Charles E. Bennett for introducing this legislation.

H.R. 4089

PVA also supports H.R. 4089, legislation proposed by Rep. Timothy Penny (D-MN) which would amend Chapter 36 of Title 38, U.S. Code, with respect to educational and vocational counseling for veterans. Mr. Chairman, PVA, once again, thanks you for your continued support in the education and rehabilitation of our Nation's veterans.

We approve the goals of the legislation which would enhance rehabilitation by accelerating the provision of contact and counseling services for pre-discharge active duty personnel and certain hospitalized veterans.

Mr. Chairman, this concludes my testimony. Thank you for the opportunity to express my opinions. I will be happy to respond to any questions which you may have.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

SAMUEL J. WALSH, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

PHILIP R. WILKERSON, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES

on

VOCATIONAL REHABILITATION PROGRAM

MARCH 8, 1990

STATEMENT OF PHILIP R. WILKERSON, ASSISTANT DIRECTOR
NATIONAL VETERANS AFFAIRS AND REHABILITATION COMMISSION
THE AMERICAN LEGION
BEFORE THE SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES HOUSE OF REPRESENTATIVES
MARCH 8, 1990

Mr. Chairman and Members of the Subcommittee:

The American Legion appreciates the opportunity to present comment on the current operation of the Vocational Rehabilitation Program as well as two legislative proposals affecting the provision of vocational, education and employment counseling services.

We wish to commend you, Mr. Chairman, for holding this timely hearing to consider the current level of vocational rehabilitation training and employment assistance being provided service disabled veterans, as well as educational counseling provided to veterans, servicepersons, and other eligible individuals. These subjects were last reviewed by the Subcommittee in May of 1988.

The American Legion has, for the past several years, expressed concern about inadequate staffing support in the Vocational Rehabilitation and Counseling Service (VR&C), the increasing caseload, and the increasing problem of timely counseling and assistance. We believe the situation will continue to worsen under the staffing reduction proposed for FY 1991, despite assurances that programmatic changes, additional training and ADP initiatives will offset the loss of personnel and at the same time improve both the quality and timeliness of service.

The VR&C Service is responsible for determining a disabled veteran's entitlement to and need for rehabilitation training and employment services to overcome a handicap caused by the service-connected disability under Chapter 31 of title 38, United States Code. Over the years, the program has assisted thousands of veterans in becoming more productive citizens. Many severe or catastrophically disabled veterans have also been assisted to achieving a more independent lifestyle and an improved quality of life. Veterans, servicepersons and other eligibles may receive education counseling services to enable them to more effectively utilize the educational assistance benefits to which they may be entitled.

Current year staffing for the VR&C Service is 845 FTEE. However, according to the proposed budget for FY 1991, employment is to be reduced by 5 FTEE. This apparently would be accomplished despite the fact that the Chapter 31 vocational rehabilitation program workload is projected to increase by at least 2 percent and the vocational and educational counseling workload is projected to increase by more than 5

percent. These workload projections will be impacted by several factors, including a significant number of disabled veterans eligible for Chapter 31 who had previously elected Chapter 34, Vietnam Era GI Bill, based on higher benefit payments and who will be switching to Chapter 31. There are also numbers of veterans who did not participate in Chapter 32, the Post-Vietnam Era Educational Assistance Program and who will begin to apply for vocational rehabilitation and assistance. In light of political events in Eastern Europe and the Soviet Union, there is a real prospect for a significant reduction in the number of active duty personnel in the near future which will produce a great demand for both vocational and educational counseling services and assistance.

Mr. Chairman, most of the planned actions and initiatives for the current fiscal year and for FY 1991 which provide for increased staff training opportunities and the continued use and development of data systems to assess service delivery will no doubt contribute to an overall improvement in the quality of services to disabled veterans and others. However, these efforts, in our opinion, hardly address the critical problem of timeliness in providing such services due to inadequate staffing. Nor will the additional planned training of VR&E personnel together with an increased use of contract and employment service offset the proposed reduction in staffing set for FY 1991.

At the present time, according to VA data, each Vocational Rehabilitation Specialist (VRS) is on average responsible for 220 cases at any one time. At over half of the regional offices, this number is even higher. Currently, it is taking an average of 94 days following application for a vocational rehabilitation evaluation before disabled veterans receive an initial appointment with a Counseling Psychologist to assess their needs. This waiting period is projected to increase to 100 days in FY 1991. Such delay creates real hardship for many disabled veterans who may be in urgent need of assistance and services and are unemployed. Following a comprehensive evaluation and assessment process, an individual program of vocational rehabilitation or employment services is developed. Once the individual has completed his or her program and is ready for employment, they are eligible for a variety of employment assistance services, including job placement. In this phase, such services are to continue for a minimum of 90 days following employment, after which the individual is considered successfully rehabilitated. Current year and FY 1991 estimates indicate the average number of days veterans remain in the employment stage is 300. This is up from 285 days in FY 1989.

As previously noted, the VR&C Service is also responsible for providing educational counseling and assistance to veterans, servicepersons, and other eligibles who request counseling. This workload has continued to grow substantially, despite the phaseout of the Vietnam Era GI Bill, which has severely strained counseling staff resources at many regional offices. VR&C has begun to make increasing use of contract services to better manage the non-Chapter 31 counseling workload. There are currently 51 contracts in effect at 14 regional offices. While this approach may be a cost-effective means of providing such needed services to veterans, it does not allow the VR&C Service to move forward on the basic problem of timeliness in the vocational rehabilitation program.

Mr. Chairman, in our judgment, the personnel resources of the VR&C Service are stretched to the limit. The quality of service provided disabled veterans continues to be adversely affected. It is taking longer and longer for disabled veterans to be evaluated and enrolled in a program of training or education. Experience has shown that such delays and holdups at the beginning of any such program have a significant impact on the veteran's motivation and attitude. With such heavy caseloads, communication, individual supervision, and follow-up by the Vocational Rehabilitation Specialists deteriorates. This, in turn, causes many veterans to drop out or fail to complete their planned program. In addition to more effective case management, there must also be sufficient resources available to ensure disabled veterans obtain suitable employment upon the completion of their education or training, including post-employment services.

The American Legion has always been a staunch supporter of the vocational rehabilitation program and its efforts on behalf of the service disabled veterans of our nation. It is a program which has directly benefited tens of thousands of disabled veterans in finding new occupations over the years. VA's own data describes a continuing decline in both the quality and timeliness of the services it is mandated to provide. The budget proposed for FY 1991 again makes assurances that problems in these areas will improve, despite the proposed reduction of essential staffing support. The types of personal assistance provided by the VR&C Service are by their nature very labor intensive and if the benefits and services are to achieve the goal intended by Congress when it established this program, additional staffing is urgently needed.

Mr. Chairman, with respect to H.R. 3053, this measure proposes that the Secretary of Veterans Affairs shall issue an Exemplary Rehabilitation Certificate to

individuals with an other than honorable discharge or a general discharge under honorable conditions who have established that they have rehabilitated themselves, are of good character, and their conduct, activities, and habits since discharge from the Armed Forces have been exemplary for a period of time, not less than three years. Veterans who have been issued an Exemplary Rehabilitation Certificate shall be eligible to receive employment counseling and job assistance through the employment offices of the Department of Labor.

By way of history, a similar program was established by the Department of Labor in 1967 and subsequently repealed in 1981. A study conducted for the Department of Labor on the Exemplary Rehabilitation Certificate Program in 1972 concluded that recipients of these certificates received few if any benefits in seeking and retaining employment. Only 11 percent reported that the certificate helped them. Follow-up of persons inquiring about the program indicated that the chief reason they did not wish to apply for the certificate was because it would not change the nature of their military discharge in any way and would, in fact, emphasize to employers or potential employers that they had received a "bad discharge" or "bad paper" from one of the Armed Forces.

The American Legion is concerned that under the proposed budget for the Office of the Assistant Secretary for Veterans Employment and Training (OASVET) for FY 1991 there will be insufficient resources to meet the requirements set by existing law regarding employment and training services to veterans. The American Legion therefore, is not supportive of this proposal.

Comment has also been requested on H.R. 4089. This bill would provide educational and vocational counseling to individuals eligible for assistance under Chapters 30, 31, or 32, or Chapter 106 of title 10, United States Code, or veterans discharged or released under other than dishonorable conditions if application is made within one year of discharge or release from active duty. It would also include individuals who are within 180 days of their estimated date of discharge or release from active duty, including those who are making a determination of whether or not to continue as members of the Armed Forces. The American Legion has no objection to this proposal to assist veterans in their readjustment to civilian life by making available such educational and vocational counseling services.

Mr. Chairman, that concludes our statement.

STATEMENT OF

THE MILITARY ORDER OF THE PURPLE HEART

BY

ROBERT L. ALVAREZ

NATIONAL SERVICE DIRECTOR

BEFORE THE

SUBCOMMITTEE ON EDUCATION, TRAINING

AND EMPLOYMENT

UNITED STATES HOUSE OF REPRESENTATIVES

MARCH 8, 1990

ON

H. R. 4089

VOCATIONAL REHABILITATION PROGRAM

AND

H. R. 3053

32-757 0 - 90 - 3

Mr. Chairman and Members of the Subcommittee on EDUCATION, TRAINING AND EMPLOYMENT, the Military Order of the Purple Heart appreciates this opportunity to present our views on H.R. 4089, Veterans Rehabilitation (VR&C) and H.R. 3053.

H. R. 4089

This bill to amend chapter 36 of title 38, United States Code to include educational and vocational counseling. The Military Order of the Purple Heart views this basically, as an administrative updating changes to title 38, United States Code. However, under para 1797A, educational and vocational counseling, we have a problem with how the VR&C can carry out the eneergetic tenets of this without a substantial increase in FTEE and budgetary authority over what was recommended by the independent budget suggestions.

Based upon the 100 day average from application for chapter 31 applicants initial interview. Should we now expect 300-400 day delays?

This is a very energetic and worthwhile proposal, but if not properly staffed, it will become as many items in title 38, just lip service.

VOCATIONAL REHABILITATION

Veterans with service-connected disabilities are provided assistance through VR&C services, in order to assist disabled veterans to achieve independence in daily living, maintain suitable employment and obtain employment. The three main areas of activities of VR&C are: rehabilitation evaluation and planning, counseling and rehabilitation services, and employment services.

The services furnished under the Vocational Rehabilitation Program are among the most important services furnished by the country. VR&C is the front line service in carrying out this country's commitment to veterans disabled in service to their country - the most deserving of our nation. Not only do these services provide the veteran with the ability to become a productive member of society, it also provides a significant return to the nation, through increased taxes on the local, state and federal levels.

The Department of Veterans Affairs budgets, as well as FY'91 budget, do not address the needs of the disabled veteran. The DVA seems more oriented to cut services to the bone and then start on cutting entitlements. We have seen this trend in every VA program, from compensation and pension, to medical. In this program we had, and still have to a lesser extent, a viable program that actually

benefits disabled veterans and gives a profitable return on investment.

Yet, the VA has reduced FTEE to a level where each vocational specialist has an average case-load of 200 disabled veterans. This case-load average is way above the national average for their counterparts furnishing like services in other agencies. This type of management is inexcusable and nearsighted. It is the cause of the unacceptable 100+ days for a disabled veteran to receive his first interview. These delays, in turn, discourages participation; which, in turn, reduces costs in the program; and, in turn, reduces returns on investment. If you discourage enough veterans from participation, even a layman can presume you can cut the entitlements in the program, and eventually cut the program entirely. We do not have a figure on the veterans not participating in the program, but this should be easy enough for the DVA to furnish.

At a time when the military is facing a large reduction in forces, with many of the first to go being servicemen with medical profiles or medical problems, any reduction in FTEE is not well thought-out, and will do nothing to reduce the backlog of cases, nor will it improve the quality of service to prevent non-participation. The Veterans Independent Budget

recommends an increase in FTEE in this area to provide one VR&C specialist for every 135 rehabilitation cases is sound, provided of course, if we wish to provide more effective and quality services to disabled veterans.

Another area of deep concern of the Military Order of the Purple Heart membership is the subsistence allowance paid to veterans participating in this program. We feel that this is another area which discourages veterans from continuing their participation. In most cases, the veteran's subsistence and compensation payment are hardly enough to sustain him without utilization of the work study program and outside part-time employment. The lucky ones are those that can live at home or with their in-laws.

Therefore, it is our opinion that the DVA has done little over the past several years to improve the deplorable financial situation that most vocational rehabilitation trainees find themselves in. We are not naive enough to think that this country could ever pay enough subsistence. We also believe that some self-sacrifice is necessary for character building. However, when a trainee must exist on a day to day basis, this is a crime of morality. His day to day thoughts are on food, bus or transportation costs, etc.. Sometimes, he cannot even afford the bus fare to take the time off from work to go to the VA hospital.

To show how tenuous the trainee's financial status is, large numbers of trainees dropped out of training because of the Gramm-Rudman reductions in the program. Of course we have first hand information that VA employees were told to suppress and hide any true figures of drop-outs, so that no accurate account could be given to this body. Let me assure you, the drop-out rate was more than minimal. Thankfully, through your action, these reductions will not again occur.

The Military Order of the Purple Heart additionally requests that a cost of living adjustment be given to all participants in the Vocational Rehabilitation (chapter 31) recipients. As we have previously testified, subsistence allowances for veterans participating in this program are grossly inadequate to meet their day to day needs. Many drop-outs in this program are directly attributable to the low subsistence allowance paid to participants. This causes many, especially married veterans, to accept marginal employment before completing the program.

It would not be realistic or responsible on our part to expect that there could ever be a subsistence allowance program that could meet everyone's satisfaction. However, we think it is realistic to expect participants to, at least, receive a subsistence allowance equal to education benefits payable to survivors and dependents (chapter 35)

recipients, who receive a payment which is approximately 20% higher. We further believe that because of budgetary restraints, it would not be responsible of our organization to ask for a complete parity of the two programs in one sweep. Rather, we think that a gradual or graduated strive for parity is the most acceptable path.

The Vocational Rehabilitation Program has been one of the most successful government programs ever initiated. The average earnings of veterans completing this program increased by approximately 560 percent. The veterans also increased their payments of state taxes, social security taxes and federal taxes at, or above, the 560 percent increase of income.

Based upon these facts, we believe that a modest 7% cost-of-living increase in the subsistence allowance of vocational rehabilitation trainees is not only needed, it is warranted and a good investment. We do not believe a similar cost-of-living increase is warranted for survivors or spouses educational training, until vocational rehabilitation benefits reach an equal par with them.

H. R. 3053

A bill to authorize the Secretary of Veterans Affairs to issue exemplary rehabilitation certificates for certain individuals discharged from the Armed Forces.

While the Military Order of the Purple Heart believes that a young man's past errors should not completely alienate him from reintegrating into society forever, if he has proven satisfactorily that rehabilitation has occurred, he should receive special counseling and job development through the Department of Labor.

However, the Military Order of the Purple Heart objects strenuously to the Department of Veterans Affairs operating this program for several valid reasons.

1. The Department of Veterans Affairs was established to provide a delivery system of benefits for honorably discharged veterans.

2. The DVA has neither sufficient FTEE or funds to accomplish the provisions of this bill.

3. The persons addressed under this bill are not veterans, nor did they serve their country honorably.

4. The processing of claims under this bill would detract and impact on the processing of veterans' claims.

5. Since the Department of Defense had jurisdiction over the individual when the offense was committed, it would seem more reasonable to have DOD issue such a certificate, especially since the certificate will be

placed in the man's service record.

Based upon the above, the Military Order of the Purple Heart would not and could not support H.R. 3053 in its present form to have the Department of Veterans Affairs adjudicate, process and issue the Certificate of Exemplary Rehabilitation.

On the other hand, we support the principle of issuing a certificate of this nature to former members of the military, provided such certificates and processing is the responsibility of the Department of Defense - the agency of jurisdiction.

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SUBCOMMITTEE ON EDUCATION, TRAINING AND EMPLOYMENT
OF THE
HOUSE COMMITTEE ON VETERANS AFFAIRS
MARCH 8, 1990

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the more than 1.3 million members of the Disabled American Veterans (DAV) and its Ladies' Auxiliary, I want to thank you for allowing us this opportunity to provide comments on the Department of Veterans Affairs Vocational Rehabilitation Program.

The DAV is appreciative of your concerns, Mr. Chairman, as well as the other members of this Subcommittee for reviewing this program to assure disabled veterans are receiving quality and timely services.

This Subcommittee has been a leader in monitoring the activities of the Vocational Rehabilitation and Counseling Service (VR&C) for a number of years. It has been through your efforts that many issues have been brought to the forefront and ultimately led to certain improvements in the Vocational Rehabilitation Program.

Mr. Chairman, in your letter of invitation you asked for our "review and evaluation of the implementation and the effectiveness of the improved Vocational Rehabilitation Program, with particular emphasis on the quality and timeliness of services provided by the Department of Veterans Affairs to service-connected disabled veterans."

Mr. Chairman, in order to look at those issues, we must first look at whether or not the VA has committed, or is willing to commit, adequate resources to assure quality and timeliness. In reviewing the budget request for Fiscal Year 1991 (as well as previous budgets), we find the VA has not and is not willing to make those kinds of commitments. As a result, we have a cadre of hardworking dedicated professionals in the field whose hands are tied because of heavy workloads and limited resources -- and an administration unwilling to commit adequate resources.

Mr. Chairman, we believe the Vocational Rehabilitation Program for disabled veterans is one that is largely successful in spite of heavy workloads and inadequate resources. For example, in 1987 the VA reviewed the files of 2,047 disabled veterans who had completed vocational rehabilitation. The

following shows the economic return realized by participants in this program, as well as the obvious benefit to the treasury:

Average salaries increased from $2,687.53 to $15,047.85
Average state taxes increased from $183.46 to $1,058.18
Average Social Security taxes increased from $237.33 to $1,328.84
Average federal taxes increased from $283.79 to $2,006.14

(Total federal taxes including Social Security totaled $6,826,709)

Mr. Chairman, these data reflect, in our opinion, the shortsightedness of the OMB budget watchers, who apparently don't understand the advantage of long-term returns, versus short-term savings. Mr. Chairman, it pays the federal government to provide timely and quality rehabilitation programs and services to our nation's disabled veterans. These data prove vocational rehabilitation is a cost-effective program that should receive increased resources. For all too long this and other Administrations have addressed specific Congressional mandates by providing a continual decline in resources. This is totally unacceptable.

Mr. Chairman, the DAV is not alone in this thinking. As you are well aware, the DAV along with the AMVETS, Paralyzed Veterans of America and VFW prepared an Independent Budget (IB) for the Department of Veterans Affairs for Fiscal Year 1991. This Independent Budget has since been sent to Congress.

In the section dealing with VR&C, a recommendation is made to increase VR&C staff by 69 FTEEs over the FY 1990 appropriated level. This would bring the staffing to a total of 714. The IB also requests a supplemental appropriation for 1990 to reach that level. Attached to my statement is a copy of the IB recommendations as they relate to VR&C.

Mr. Chairman, apparently the House Veterans Affairs Committee agreed with the recommendations contained in the IB.

In House Committee Print No. 6, "Report to the Committee on the Budget from the Committee on Veterans Affairs," the House Veterans Affairs Committee agrees with the recommendation in the IB and is so stated. "... the Committee rejects the Administration's proposal that FTEE and VR&C be reduced and recommends that 69 additional FTEEs be provided for this service. This staffing increase will reduce the average VR&C caseload to 135 active cases, a level above that for comparable staff in the state/federal rehabilitation program, but nonetheless a significant improvement over the current unmanageable caseload."

It is unconscionable that this Administration has determined disabled veterans are less important than other disabled people. This attitude is obviously reflected in their budget submissions that allows for a larger case-load in the VA than exists in the state/federal rehabilitation program.

Mr. Chairman, we believe our proposal is moderate. The original VA budget submission requested $35,501,000 and 728 FTEEs. This would have provided an increase of $6,399,000 and 83 FTEEs. The purpose of the additional FTEE request was to "reduce case manager workloads from 188 to 135 per manager and to provide a pool of trained replacements for counseling psychologists and vocational rehabilitation specialists who retire or terminate employment."

Mr. Chairman, instead the Administration requested $31,834,000 and 640 FTEEs, which is an actual decrease of five positions from 1990.

Mr. Chairman, according to other documents available to us, VR&C in FY 1984 had a field staff of 598. In FY 1989 that number had declined to 569. Their workload increased by almost 7,000 cases from 25,967 to 32,871 in the same period.

Mr. Chairman, the VR&C workload increased from an average of 43.4 in Fiscal Year 1984 to 57.8 in 1989. The VR&C case manager average workload increased from 168 to 220 cases. These are just other indications that a decline in acceptable levels of service and quality is occurring.

Mr. Chairman, I would like to discuss the issue of case management. The Veterans Advisory Committee on Rehabilitation (VACOR) as established by Public 96-466, found many problems associated with case management. Accordingly, a special study group within VACOR was established to review case management as it was being implemented throughout the field. On January 31, 1989, the Committee submitted its final report and recommendations.

I would also point out at this time, that the members of the Committee are appointed by the Secretary and the membership of four of the six members expired December 31, 1989. Those individuals have not heard anything from VA as to their status

nor has the VA indicated any new members have been appointed. Accordingly, the Committee is currently without a Chairman and carries only two official members who were appointed in 1989. It appears, that this current Administration has little regard for the mandate of Congress to have a Rehabilitation Advisory Committee.

The Committee in its report included recommendations and conclusions. Some of those follow:

DECENTRALIZATION OF AUTHORITY AND LEADERSHIP

The Committee reported in all locations visited, and in all of the interviews, there was considerable confusion as to who had what responsibilities in case management. It is believed that this problem is largely due to excessive decentralization of authority and leadership from Central Office to regional locations. This is compounded in the medical field because of basic management beliefs that the mission of medical services is health care only. VACOR recommended that a new department be created that would assume overall responsibility for case management throughout the VA structure.

STAFFING RESOURCES

As has already been supported by the aforementioned data, workloads have steadily increased and personnel have steadily decreased. The Advisory Committee stated in its report on case management "the most seriously flawed area of the VA's entire case management process is inadequate staffing for program accomplishment. This is the result of DM&S' failure to provide appropriate attention and staff to support case management and of staffing cutbacks which have affected DVB's ability to respond to an increasing and changing workload. The responsibility for this failure must be placed at the highest level of VA management."

It was also determined that no formal training is being provided in case management. Recommendations were made that both the staffing and training issue be resolved by top management.

EMPLOYMENT DISINCENTIVES

Mr. Chairman, work disincentives are not new. The Committee identified several issues of concern regarding these work disincentives, which I will not elaborate on at this time. However, this is not the first time this issue has been

addressed. Several years ago the VA established a "task group" who looked at many issues, including certain employment disincentives. The report recommended certain administrative actions be taken or, as necessary, legislation be pursued to accomplish those recommendations.

DM&S CASE MANAGEMENT RESPONSIBILITY

The Committee recommended that medical centers establish a new service "headed by a counseling psychologist or a highly qualified individual with extensive rehabilitation experience."

Mr. Chairman, we must ask what level of commitment exists in the VA when they see fit to ignore Congressional mandates and pay little, if any, attention to statutorily established advisory committees. We have already identified an excessive workload as a major problem in VR&C carrying out its mission. Another area that needs review is training.

Personnel training development and qualifications are addressed in Section 1518, Title 38, USC. Subsection (a) states "The Administrator shall provide a program of ongoing professional training and development for Veterans Administration counseling and rehabilitation personnel engaged in providing rehabilitation services under this chapter."

Mr. Chairman, as you know Public Law 100-323 established the National Veterans' Employment and Training Services Institute which, among other things, was authorized to provide training to "such other personnel involved in the provision of employment, job training, counseling, placement, or related services to veterans." Section 1518(b) requires the Administrator to coordinate with the Assistant Secretary for Veterans Employment in the Department of Labor to provide certain training. This has provided a mutual benefit in that the Department of Veterans Affairs was allotted 240 training slots in Fiscal Year 1990. Of that 240, 120 were set aside for VR&C. This type of training goes beyond formal training, as it provides an opportunity to interact with people such as DVOPs and LVERs and others in the employment service. This permits the VR&C staff to establish a "network" we believe is extremely beneficial and necessary for carrying out their duties.

We also learned that the VR&C leadership is embarking on what we believe to be a very innovative approach to training. They are requesting their field locations to provide a proposal for the type of training they believe necessary and available in

a particular area. This has at least two benefits: (1) the training can be tailored to specific needs in a particular part of the country that is being provided by someone outside the VA, and (2) it could be provided at a lesser cost because little or no travel would be involved. We think this a very innovative idea and commend them for this approach.

Other good news to report, Mr. Chairman, is the vocational rehabilitation benefits payment system will now be on the VA's computerized "TARGET" system. This system should allow veterans' payments to be made in three to five days from the time of approval. Currently, it may take anywhere from 30 to 45 days for an individual to receive a check. Also being on "Target" should limit inquiries from disabled veterans asking when they might receive their check. It should also result in lesser use of the revolving fund loan that many disabled veterans must avail themselves of to make ends meet pending receipt of their checks. The DAV has been critical of the VA for not having the Vocational Rehabilitation Program on "Target" and we are pleased to learn the this will take place probably in July of this year.

Mr. Chairman, in your invitation to appear you also asked us to comment on a draft proposal (H.R. 4089) to make some changes to the Vocational Rehabilitation Program. The DAV has no official resolution on the issues addressed in that draft proposal. I would, however, like to comment on the provision contained in Section 1797A(b)(3), which would authorize VR&C staff to serve certain active duty personnel who are within 180 days of their discharge.

We believe this to be an extremely important provision especially as it relates to those with disabilities who may be eligible for vocational rehabilitation. It has been proven that the sooner a disabled person starts a Vocational Rehabilitation Program the better chances are for success.

Mr. Chairman, this type of program would be consistent with the mandate contained in Public Law 101-237 regarding the providing of certain "employment and training information services to service members within six months of their separation dates." In mandating the Department of Labor to conduct such a pilot program, it was indicated that the Secretary of Labor work closely with the Secretary of Defense and the Secretary of Veterans Affairs. There is very little evidence of that cooperation taking place at the present time.

Additionally, we believe very strongly that a major focus in such transition counseling should be for those individuals who have obvious or apparent disabilities that would make them eligible for vocational rehabilitation.

You also asked us to comment on H.R. 3053, a bill that would authorize the Secretary of Veterans Affairs to issue Exemplary Rehabilitation Certificates to certain veterans. The DAV has no official position on this but we have no objection to its enactment.

Mr. Chairman, the DAV passed several resolutions regarding vocational rehabilitation at our National Convention, July 30-August 3, 1989, in Las Vegas, Nevada. I have attached to my statement three of those resolutions which we would appreciate your consideration of when you review amending legislation for Chapter 31. A brief synopsis of those resolutions follows:

Resolution No. 184: require the VA's vocational rehabilitation staff to provide employment services to any service-connected disabled veteran who requests such services.

Resolution No. 214: to provide vocational rehabilitation to all compensably disabled veterans.

Resolution No. 188: support additional staffing for vocational rehabilitation to adequately fill positions of job placement specialist.

Mr. Chairman, that concludes our prepared statement and I will be happy to respond to any questions.

Attachments

THE PRICE OF PEACE

THE NATION'S OBLIGATION: CORRECTING BUDGET PRIORITIES FOR VETERANS

FISCAL YEAR 1991
INDEPENDENT BUDGET FOR VETERANS AFFAIRS

The VSOs believe the rationale for the FY 1990 Independent Budget's recommended staffing level of 4,117 is as valid now as it was initially. We say this because the claims backlog forecast has proven accurate. Thus, if a speedy FY 1990 supplemental appropriation to fund an FTEE level of 4,117 were enacted, this would be adequate to stop the decline in service delivery and also to provide sufficient FTEEs to implement the long-range plan of restoring good service to veterans. Assuredly, however, it is a case of "pay me now or pay me later." In this regard, even OMB should be able to recognize that it is prudent and cost-effective to pay for periodic oil and filter changes, than to fail to do so and face a major engine overhaul.

If Congress does not provide additional FTEEs now, the backlog will continue to increase and CP&E will need more FTEEs just to get back to where it is now. To illustrate: As indicated above, with current resources, the backlog likely will increase as much in FY 1990 as it did in FY 1989 (that is, by approximately 300,000). Applying the average base weight of .855 for compensation and pension end products, and assuming productivity gains of 6.3 percent (as occurred with FY 1989 dispositions), each employee would account for 909 dispositions during a year. Thus, it would require 330 fully trained employees merely to dispose of the increased backlog (300,000 divided by 909) and return to the October 1989 backlog level. We must remember that, due to the budget cycle's separation from true time, events must be anticipated to formulate a recommendation for FY 1991. Without a speedy FY 1990 supplemental appropriation, the VSOs estimate that CP&E will need 4,447 FTEEs in FY 1991 (4,117 + 330) to achieve the service delivery goals that 3,852 could have achieved in FY 1989, and 4,117 could have achieved in FY 1990. Of course, CP&E will achieve these goals three years later than it would have if the FY 1989 Independent Budget recommendation had been implemented, at a cost of 595 fewer FTEEs (4,447 - 3,852).

In view of the need for fiscal austerity, the VSOs are willing to moderate the recommendation for additional FTEEs to less than CP&E needs to reduce the backlog to an acceptable level. We have amended our service delivery goals accordingly. In doing so, we recognize that we are to some extent falling into the OMB trap -- that is, causing the situation to become so bad that the price to correct it appears to be too high to pay. Because the situation has become so bad, however, there must be a definitive shift in direction. During FY 1990 and FY 1991, the claims backlog must begin to decline.

An FTEE level of 4,117, as recommended in last year's Independent Budget, should permit this. As stated above, merely stabilizing the backlog requires an increase of 330 fully trained and productive employees over the FY 1989 actual FTEE level. The FY 1990 appropriated level is 3,752, an increase of 88. This is encouraging, but 242 additional FTEEs are needed to stabilize the backlog (330 - 88 = 242). Optimistically, those resources could not be fully deployed until well into FY 1990. By then, the backlog will have grown, and more FTEEs will be needed to reduce the backlog to the current level. An additional 123 FTEEs, or a total of 365 FTEEs, should (1) ensure stabilization of the claims backlog by the end of FY 1990 and (2) provide sufficient resources for a meaningful decrease in the backlog in FY 1991 and subsequent years.

The VSOs therefore recommend that budget authority for an FTEE level of 4,117 be provided by an FY 1990 supplemental appropriation. CP&E should hire and train the additional FTEEs throughout FY 1990 so that, by the beginning of FY 1991, they are fully productive. This FTEE level can then be maintained for FY 1991.

Other Considerations: Until recently, CP&E has not received many automated data processing or work process improvements. We think this is changing, but the process of implementing improvements must be hastened. CP&E should conduct ongoing analyses of *all* work processes with a view toward automating, simplifying or eliminating them.

We have cited the example of AMIE frequently. It is important to observe, however, that in reducing 31 work functions to six, the real question AMIE poses is why there were ever 31 separate tasks associated with the relatively simple functions AMIE addressed. The same basic question must be asked of all kinds of work functions and processes. For example, there are long delays in obtaining veterans' service records from the Department of Defense. Since VA has, by far, the greater need for these records (particularly medical records), why doesn't VA store and maintain them?

The VSOs believe and are encouraged that VBA in general and CP&E in particular are now asking these kinds of questions and are actually seeking answers to them. We are also encouraged by the renewed commitment to training. If Congress provides budgetary support in the form of additional FTEEs and automated data processing system enhancements, the VSOs are convinced that CP&E can reverse the long-term trend of deteriorating service to veterans.

VOCATIONAL REHABILITATION AND COUNSELING (VR&C)

The VSOs recommend increasing staffing by 69 FTEEs over the FY 1990 appropriated level, for a total of 714 with an FY 1990 supplemental appropriation. Maintain this staffing level for FY 1991.

VR&C provides assistance to veterans with service-connected disabilities to help them achieve maximum independence in daily living, to become employable, and to obtain and maintain suitable employment. It also provides counseling services to veterans and members of the Armed Forces applying for educational and job training benefits and it operates career development centers. Its three main areas of activity are (1) rehabilitation evaluation and planning, (2) counseling and rehabilitation services, and (3) employment services.

These services are among the most important in the entire veterans' benefits area. VR&C carries out the nation's commitment to help veterans disabled in military service -- those to whom we owe most -- to function independently and to obtain suitable employment. These services, moreover, are beneficial to the nation because they help restore disabled veterans to the status of economically productive, taxpaying workers.

Service Delivery Goals. Reduce the Vocational Rehabilitation Specialist caseload to an average of 135 by the end of FY 1990. This should result in significant reductions in the time a veteran must wait for an initial interview and for the veteran to be successfully employed.

Analysis. VR&C is yet another infuriating example of the destructive and costly results of the "penny-wise, dollar-foolish" policies inherent in the existing budget process. A VA study of 2,407 veterans declared rehabilitated in 1987 illustrates our point.

The average annual earnings of these veterans prior to initiation of their rehabilitation programs was $2,687.53. After they completed rehabilitation programs, their average earnings were $15,047.85, an increase of 560 percent. The benefits to these disabled veterans in once again becoming productive workers is obvious, but difficult to quantify. The direct monetary benefit to state and federal governments, in the form of taxes paid by the veterans studied, can be quantified:

o State tax revenues rose from $375,550 to $2,166,096, an increase of 577 percent.

o Social Security taxes paid rose from $485,814 to $2,720,116, an increase of 560 percent.

o Federal tax revenues rose from $580,914 to $4,106,573, an increase of 707 percent.

These are not one-time revenue increases; they will occur year after year and at higher rates as the veterans' incomes increase. Providing the resources needed to deliver quick and effective rehabilitation to eligible disabled veterans is not only the right thing to do, it is the cost-effective thing to do.

Despite this fact, the self serving and narrow view of Administration budget requests during the past decade has been to withhold the budget support VR&C needs to provide adequate service to disabled veterans. The Administration would save pennies in administrative costs at the price of losing dollars in additional revenues which would result from an effective VR&C operation. This is frustrating to veterans, the VSOs, and VR&C employees.

The Independent Budget analysis of VR&C is much the same as the past two years; in fact, it is like taking the same picture all over again. The Independent Budget resource recommendation accordingly will also be much the same.

Backlogs in the VR&C workload, caused by inadequate staffing, seriously undermine the effectiveness of the service VR&C provides. For example, a veteran must now wait 100 days on average from the time VR&C receives his application until he has an initial interview with a counseling psychologist. This is an intolerable wait, especially since studies of successful vocational rehabilitation programs repeatedly show the importance of starting rehabilitation quickly -- before negative attitudes about employability become established.

Additional evidence of staffing shortages in VR&C include:

o An average workload of 200 cases for VA vocational rehabilitation specialists who serve as case managers for disabled veterans as they progress through the rehabilitation process. This caseload compares to a workload of 60 cases for comparable staff in the state/federal rehabilitation program.

o An increase from 155 days in FY 1984 to 285 days in FY 1989 in the average time from (1) the completion of a veteran's rehabilitation program and his readiness to seek employment until (2) he has been employed for 90 days, which is the point at which rehabilitation is counted as successful.

In short, service to veterans in this important area is clearly inadequate. Recent General Accounting Office (GAO) and Inspector General (IG) studies have also documented this inadequacy.

The VSOs recommend increased staffing to provide one vocational rehabilitation specialist for every 135 rehabilitation cases. With these additional people, VR&C would be able to meet more adequately disabled veterans' rehabilitation needs, and most critically, to provide more effective and efficient employment services to job-ready veterans. Despite this staffing increase, the vocational rehabilitation specialists still will carry more than twice the workload of their state/federal program counterparts.

In closing this analysis, the VSOs wish to say that we sense a revitalization in VR&C. Much needed training is being provided, or soon will be, and there appears to be an enthusiastic and innovative approach to the use of automated data processing system enhancements to improve productivity. VR&C needs additional FTEEs badly, however, to provide this important and cost-effective service to veterans. The VSOs are confident that VR&C will use these additional human resources to the fullest extent possible. The combination of increased staffing and continuing productivity gains will put VR&C on the course of gradually restoring good service to veterans.

LOAN GUARANTY

The VSOs recommend increasing staffing by 105 FTEE over the FY 1990 appropriated level, for a total of 2,270, with an FY 1990 supplemental appropriation. Maintain staffing at 2,270 for FY 1991.

The Loan Guaranty program provides housing credit assistance to eligible veterans and military personnel through guarantees of loans made by private lenders and through direct loans to certain severely disabled veterans.

Service Delivery Goals: Improve the cure rate percentage of loans that are in default to the FY 1983 rate of 85 percent (from an FY 1989 level of 74.27 percent) by the close of FY 1991.

Analysis: Last year's Independent Budget analyzed at length the problems in Loan Guaranty. In both the GOE and Benefit Programs sections relating to Loan Guaranty, the VSOs described how short-sighted OMB budget policies had greatly increased program costs. In this regard, the direct relationship between improved administrative practices, service to veterans and reduced program costs was demonstrated.

The VSOs also observed that the consequences of poor management and flawed budget practices become apparent immediately when massive appropriations are necessary to keep the revolving fund solvent. Because major problems cannot be hidden (intentionally or unintentionally) within the budget process, Congress is almost forced to become actively involved in devising solutions. The VSOs noted with approval Congressional efforts to solve problems in this account, especially through the thoughtfully-crafted provisions of *H.R. 5221 (The Veterans) Home Loan Mortgage Indemnity Act of 1988*) which passed in the House, but died with the final adjournment of the 100th Congress. The VSOs strongly urged the reintroduction of this legislation and anticipated that it would become law. Because of these considerations, the VSOs were confident that decisive action was forthcoming.

The VSOs are encouraged by VA and Congressional activities during the past year and believe that the confidence we expressed last year was not misplaced.

VA Actions: VA appears to have seen the light finally and now recognizes the correlation between additional FTEEs and program savings. In February 1989, Secretary Derwinski sought an amendment to the FY 1990 budget request, to add 244 FTEEs to enhance loan servicing(175 FTEEs) and property management (69 FTEEs) activities in the Home Loan Guaranty program. VA estimated that additional emphasis on loan servicing would lower loan defaults by 2 percent, which, in turn, would result in reductions in costs to the Loan Guaranty Revolving Fund of $55.8 million. Enhanced property management activities were expected to increase receipts to the Fund by $26 million. Thus, the additional FTEEs were expected to produce program savings of $81.8 million, or $335,246 per FTEE. The Secretary did not get 244 additional FTEEs; he did, however, get 132 over the initial FY 1990 request. As of November 1989, 2,165 FTEEs were authorized for Loan Guaranty.

The Secretary has also taken the bureaucratically bold step of admitting this program's ineffective administration. He has launched a major restructuring of veterans' housing programs, to correct problems identified in last year's Independent Budget, such as:

- The issuance of "bad loans." Is this due to a need for the lender to bear more risk? Because the Government will pay back the loan, lenders have little incentive to check closely veterans' credit-worthiness. This does not benefit veterans and certainly has greatly increased program costs.
- Poor appraisal practices. More accurate appraisals would reduce the default rate.
- Poor maintenance of foreclosed homes. Obviously, this reduced the value and sale price of foreclosed properties.
- Poor marketing of properties. Improved marketing techniques are essential if foreclosed properties are to sell at full value.

Also, VA now recognizes that regulations must be tightened to state very explicitly what lenders must do to participate in this program, which has been extremely beneficial to them.

It appears that, finally, VA and the VSOs are reading from the same page. Management can now take advantage of improved economic conditions and the attendant more favorable workload outlook. For example, the number of defaults reported in FY 1989 was 171,295, compared to 176,503 in FY

RESOLUTION NO. 184
LEGISLAIVE

REQUIRE THE VA'S VOCATIONAL REHABILITATION STAFF TO PROVIDE EMPLOYMENT SERVICES TO ANY SERVICE-CONNECTED DISABLED VETERAN WHO REQUIRES SUCH SERVICES

WHEREAS, the American labor force is experiencing rapid change due to changing technology and skill obsolescence; and

WHEREAS, service-connected disabled veterans frequently require assistance in finding suitable employment; and

WHEREAS, the VA employs counseling psychologists and vocational rehabilitation specialists in the vocational rehabilitation program who are qualified by education and experience to provide employment services; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Las Vegas, Nevada, July 30-August 3, 1989, support legislation to require the VA vocational rehabilitation program to provide employment services to any service-connected disabled veteran who requests such services.

* * *

RESOLUTION NO. 214
LEGISLATIVE

PROVIDE VOCATIONAL REHABILITATION
TO ALL COMPENSABLY DISABLED VETERANS

WHEREAS, under current law service-connected disabled veterans with a compensable disability and an employment handicap are eligible for vocational rehabilitation; and

WHEREAS, the Congress has extended eligibility for vocational rehabilitation benefits to certain nonservice-connected disabled veterans; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Las Vegas, Nevada, July 30-August 3, 1989, support legislation to allow any compensably disabled veteran to participate in the vocational rehabilitation program.

* * *

RESOLUTION NO. 188
LEGISLATIVE

IN SUPPORT OF ADDITIONAL STAFFING FOR THE VOCATIONAL REHABILITATION STAFF TO ADEQUATELY FILL POSITIONS OF JOB PLACEMENT SPECIALISTS

WHEREAS, job placement specialists require highly technical and specialized skills in assisting individuals in obtaining suitable employment; and

WHEREAS, the VA's vocational rehabilitation program is mandated by Public Law 96-466 to provide employment services to disabled veterans in training under Chapter 31, Title 38, U.S. Code; and

WHEREAS, the VA's vocational rehabilitation staff has suffered reductions so as to severely hinder their ability to provide required employment services; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in Las Vegas, Nevada, July 30-August 3, 1989, support additional and adequate staffing for the vocational rehabilitation staff for the purposes of creating and filling positions of job placement specialists.

* * *

THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

The Honorable G. V. (Sonny) Montgomery
Chairman, Committee on Veterans' Affairs
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed please find the responses to questions submitted by Representative Timothy J. Penny following the Subcommittee on Education, Training and Employment's March 8, 1990, hearing on the Vocational Rehabilitation Program and H.R. 3053. A copy of the responses has been provided to Representative Penny.

Sincerely yours,

Edward J. Derwinski

Enclosure
EJD/tlc

WRITTEN COMMITTEE QUESTIONS AND THEIR RESPONSE

FOLLOW-UP QUESTIONS FROM THE HEARING OF MARCH 8, 1990

Question 1.
Vocational Rehabilitation for service-disabled veterans is a priority with the members of this Committee. Accordingly, in the Committee's Report to the Budget Committee, we are recommending that 69 FTEE be added to VR&C, with the expectation that this will reduce the caseload to a more manageable level, if not an entirely desireable level.

What impact would the addition of these FTEE have on the delivery of services to disabled veterans? Specifically, what would be the average VRS caseload? To what degree would time spent in applicant status and employment services status be reduced? How would this compare with service delivery in the State-Federal rehabilitation programs?

Answer 1.
The average VRS workload with an additional 69 FTEE would be 159 cases per case manager. This compares with an average of 108 cases per case manager in the State-Federal system.

The addition of these VRS's would free counseling psychologists from some of their VRS case manager duties, allowing them to spend additional time on counseling duties. This should decrease, significantly, the time a veteran remains in applicant status and in employment services status.

Question 2.
What are average VRS caseloads in Minnesota and New Jersey? What are average times spent in applicant and employment services status in those VBA regional offices?

Answer 2.
The following data are from Feb. 1990 reports.

The VRS caseload in Minnesota is 114; the caseload in New Jersey is 177. The national average VRS caseload is 225.

In Minnesota, the average time in applicant status is 76 days and the average time in employment services status is 352 days.

In New Jersey the average time in applicant status is 47 days and the average time in employment services status is 257 days.

The national average time in applicant status is 95 days and the average time in employment services status is 277 days.

Question 3.
In response to a question asked in 1988, this subcommittee was told a training program for counseling psychologists and vocational rehabilitation specialists was being developed to provide one year of training for individuals selected from a central register. This training was to consist of both academic and practical application. Was this program implemented? How many VR&C staff have been trained under it?

Answer 3.
The Counseling Psychologist and Vocational Rehabilitation Specialist training programs were approved. DVB Circular 20-88-15, DVB Counseling Psychologist Training Program, was issued on September 19, 1988. Proposals to provide positions for trainees were received from approximately 12 VA Regional Offices. Three of this group (Cleveland, Huntington, and Portland) were selected and funding was requested for six FTEE training slots. Funding has not been provided.

Question 4.
A purpose of the vocational rehabilitation program, as defined in Chapter 31 of title 38, is to enable service-disabled veterans to become employable and to obtain and maintain suitable employment, to the maximum extent feasible.

Clearly, there is flexibility in the law which allows for varying levels of successful rehabilitation, depending on the veteran and his or her particular circumstances. How is this flexibility reflected in regulation? In other words, in what ways does VR&E define successful rehabilitation?

Answer 4.
The purpose of the vocational rehabilitation program is "to provide for all services necessary to enable veterans with service-connected disabilities to achieve maximum independence in daily living and, to the maximum extent feasible, to become employable, and to obtain and maintain suitable employment." Current regulation (38 CFR 21.196) identifies those veterans who have been the most successful in achieving these purposes.

However, this regulation does not identify other veterans who have benefited "to the maximum extent feasible" from the services provided, but do not meet the criteria for a determination of rehabilitated under 38 CFR 21.196. We are currently considering a regulatory change that would include in "rehabilitated" status those veterans who show that the program of services (Rehabilitation Plan) provided under the vocational rehabilitation program contributed to the veterans' employment, employability, or independence in daily living.

Question 5.
A provision of Public Law 101-237 established the Independent Living Program as a permanent part of Chapter 31. This program is designed to provide services and assistance for severely disabled veterans for whom it is determined the achievement of a vocation is not reasonably feasible.

How many veterans are now receiving assistance under this program? Please describe the participants. What sorts of disabilities do they have? How is successful achievement of a goal determined in these cases?

Answer 5.
At the end of February 1990 there were 37 veterans receiving Independent Living Services.

There is no average Independent Living participant. However, a large proportion of Independent Living participants are suffering from some level or form of traumatic brain injury.

Each veteran entered into a program of Independent Living Services has a detailed program of those services which will be provided to him or her. The desired outcome of that program is to prepare the veteran to be able to live better, more comfortably, with a higher quality of life, or in a more independent manner than he or she did prior to entering the program.

Question 6.
Would you describe the duties and responsibilities of the counseling psychologists and vocational rehabilitation specialists? How do they differ?

What qualification standards are currently established for these positions? Given the radical changes made in the program under Public Law 96-466, have qualification standards been modified to reflect the new emphasis in the program? I think it's important that individuals with the appropriate educational background and experience be appointed to these positions.

Answer 6.
The counseling psychologist (CP) has responsibility for providing the comprehensive initial evaluation to which all applicants for chapter 31 benefits are entitled. These evaluations are the bases for the CP to make eligibility and entitlement determinations, as well as to plan for individualized services needed by entitled veterans to achieve employment goals or independence in daily living. In addition, the CP has responsibility for providing various counseling interventions, including personal adjustment counseling, as needed by the veterans throughout their programs of rehabilitation services. The CP is also required to function as the case manager for all Independent Living Program participants, from the initial evaluation through the entire program of Independent Living Services. The vocational rehabilitation specialist's primary responsibility is that of case manager after the completion of the initial evaluation. The VRS provides chapter 31 participants with supervision necessary to ensure the successful completion of their programs of rehabilitation services. They are also required to provide a chapter 31 participant with needed job readiness skills and employment assistance which will allow the veteran to obtain and maintain employment.

The CP and VRS positions provide a functional or practical division of labor which ultimately serves the best interests of the veterans who participate in the chapter 31 program. The employment criteria, including the educational requirements, are quite different for the two positions in order to ensure that the individuals hired for these positions are qualified to perform interrelated but different duties.

The basic qualification standards for the CP position at the GS-12 level are:

Applicants must have satisfactorily completed 2 full years of graduate study in an accredited educational institution directly related to professional work in counseling psychology; or

Successful completion, in an accredited educational institution, of all requirements for a Master's degree directly related to counseling psychology.

In addition, 1 year of professional experience which has demonstrated the knowledge, skills, and abilities needed for educational or rehabilitation counseling; or successful completion, in an accredited educational institution of all the requirements for a doctoral degree directly related to counseling psychology.

The basic qualification standards for the VRS position at the GS-11 level are:

At least 1 year of specialized experience which is in or directly related to vocational rehabilitation and which has equipped the applicant with the particular knowledge, skills, and abilities necessary to successfully perform the duties of the position. He or she must also be able to to document 1 year of specialized experience equivalent to the GS-9 level in the Federal service.

Education may be substituted for experience. At the GS-11 level, 3 full years of graduate level education or a Ph.D. or equivalent doctorate degree in a major field of study as cited above is fully qualifying.

The VR&E Service is currently working with VA personnel specialists to assure that the qualification standards for VR&C field staff reflect the types and levels of skills required to carry out our mission.

Question 7. A provision of Public Law 101-237 established a pilot program to furnish employment and training information and services to members of the Armed Forces separating from active duty. This program is to be conducted by the Secretary of Labor in conjunction with the Secretaries of Veterans Affairs and Defense.

Have DVA representatives, both central office and field staff, been closely involved in decisions made regarding the implementation of this pilot program? For example, were DVA personnel a part of the decision-making process concerning the location of the test sites?

For the record, please provide the subcommittee a detailed record of agreements, conversations, meetings and documents between DVA and the Department of Labor regarding the pilot program. We believe the language in the law, in conjunction with, makes it clear that Congress intends the DVA and DOD to be fully involved in the implementation of this program.

Answer 7. DVA staff members have worked closely with DOL in the planning and implementation of this pilot program. While we had not established operating relationships for this program at the time the pilot sites were chosen, we are now a full participant in this exciting program.

The requested documentation is attached.

Question 8.
Many of those who serve in our Armed Services are minority group members who have cultural and linguistic backgrounds different from those of the white majority. What efforts are made by VR&C staff to be sensitive to those differences when interviewing and testing individuals who apply for Chapter 31 benefits?

Answer 8.
The composition of the local VR&C staffs mirror the ethnic and cultural population of the areas they serve. Vocational Rehabilitation and Counseling management and professional staff have graduate education which is substantially based in communications skills and ethno/cultural differences. They are sensitive to their veteran populations and use interviewing and testing materials appropriate to the veteran's ability to communicate. VR&C uses a personal information form in Spanish, test materials in Spanish, and prepares letters in Spanish when needed. VR&C offices in geographic areas which are primarily Hispanic are staffed with either all or some Spanish speaking personnel. Many VR&C offices have staff trained in using sign language for communicating with deaf and mute clients and proficient in use of non-verbal assessment instruments. VR&C staff working in areas with other cultural minorities learn quickly effective means of communication because their training equips them to evaluate and respond appropriately.

Question 9.
We've heard several times through the years that the Chapter 31 payment system is going to be updated. Are you certain Phase II will be installed in July?

Answer 9.
Phase II is scheduled to be installed in July. At this point its development is progressing well and we foresee no problems which would cause its installation to be delayed. Training for VR&C Officers on Phase II implementation is scheduled for the end of May.

Question 10.
I understand a unique evaluation program for Chapter 31 participants is being conducted at the VA Medical Center in Hampton, Virginia. Would you describe this program for the subcommittee?

Answer 10.
The Vocational Rehabilitation Assessment and Counseling Program at the Hampton, VAMC operates within the medical center's domiciliary. It is a seven (7) day evaluation which allows participants to be housed in a separate living space from the traditional domiciliary residents, and provides our participants with an identity distinct and separate from others at the domiciliary. The program consists of structured daily activities which involve psychological testing and counseling and vocational and educational assessments, performed by appropriate professionals.

The results of this evaluation provide the VBA Counseling Psychologist with realistic recommendations concerning the veteran's training program. The availability of the services of the hospital's various clinics and work assessment programs especially adds to the utility of this evaluation.

Question 11.
Public Law 100-689 included a provision which expanded the OVA OJT training and work experience program to include state and local governments.

Has this provision been implemented? If so, what state governments are participating? What efforts have you made to notify state and local governments about the availability of this program?

Answer 11.
This program has been implemented and the State of New Mexico has been the first to take advantage of it. All reports to date indicate success for both parties.

We published a circular explaining the program to the field stations and asking them to network with the state and municipal officials. This provision has also received much attention in state and local government publications. As a result of this, Central Office and Regional Office staff have received many calls regarding the program from those government personnel offices and individual programs have been developed or are in the process of being developed in about 25 percent of the States.

Question 12. I know that all of us have been moved by the recent dash toward democracy in Central Europe, Russia, and Central America. An effect of these international changes is likely to be a significant downsizing of our Armed Forces.

It seems to me this reduction in military personnel could have an effect on VR&E. Would you agree?

What plans are now being made to cope with a possible significant increase in Chapter 31 participants?

Answer 12. We agree that a significant reduction in military personnel will have an impact. The impact will not only be from those people separating from military service, but also those veterans who become displaced and unemployed as a result of reductions in the military-industrial economic chain.

Key staff from several of the Veterans Benefits Administration programs are meeting to discuss actions in the event significant reductions do occur. We will soon meet with staff of the Department of Defense, Department of Labor, and others who may provide services to these veterans, to see how we may work together in planning our roles.

Question 13.
One of DVA's primary responsibilities, in my view, is outreach. The Department must do everything possible to ensure that veterans are aware of their potential eligibility for DVA programs and to encourage those individuals to make application for benefits and programs. If vigorous outreach activity is not carried out, the Department becomes subject to the charge that program costs are being deliberately manipulated.

In that regard, what routine outreach activity does VR&E employ and what are recent examples of special outreach efforts? What follow-up is provided in the event there is no response to the initial attempt at contact or when an appointment is missed?

Answer 13.
We agree that a vigorous outreach effort is a VA responsibility. VR&C has in place an outreach plan designed to ensure that veterans with potential eligibility are made aware of program services. When a servicemember separates or retires from active duty, a package of veterans benefits information, which includes the vocational rehabilitation benefits, is mailed to the new veteran's home of record. At the point that a veteran is either newly awarded service-connected disability compensation or has the rating of compensation increased, another package on vocational rehabilitation benefits is sent to that veteran. If the veteran does not respond with an application, 90 days subsequent to the notification of compensation rating, followup actions take place in VR&C to advise the veteran of our program. A special outreach to the over 15,000 disabled veterans who were enrolled in programs of education under the Chapter 34, GI Bill, and whose benefits were stopped for the legislative end of that program was recently accomplished. Each of our regional offices was provided information that was used to inform these veterans of the possibility to continue their chosen programs, under the chapter 31 program.

In addition, VR&C also focuses on motivation activities which assure that veterans maintain progress toward rehabilitation throughout the process from the date of application to successful rehabilitation. In every instance where a veteran does not respond to an initial contact or misses an appointment, except in situations where regional offices have been given waivers under the WOWS program, followup actions are taken to ensure that every conceivable effort is made to assist the veteran.

Question 14. One of the most significant reforms made by Public Law 99-576 was the mandate to include the provision of employment services to service-disabled veterans. Under prior law, the VA had only been required to provide services which would enable a veteran to be

"employable". Steps have been taken to improve the quality of employment services provided by DVA, one of which was training provided VRS's and counseling psychologists at NVTI, the National Veterans' Training Institute in Denver.

Was this training beneficial to the VR&C staff. Are there plans to repeat the training this year?

Answer 14. The VR&C staff who attended the NVTI week-long course not only gained information on how they might better deliver employment services to the chapter 31 veterans, but also developed a network with DVOPs and LVERs who might assist in the provision of employment services. VR&C participants found this opportunity to be very beneficial and the benefits should show in improved services to our disabled veterans. We are presently discussing with DOL staff our needs for additional training in FY 1990 and FY 1991. We are confident that we will be able to have additional VR&C staff trained at NVTI.

Question 15.
Section 1521 of title 38, establishes the Veterans' Advisory Committee on Rehabilitation. I understand there are members of this Advisory Committee whose terms of service have expired and have not yet been notified if they are going to be reappointed.

When will these decisions be made? When is the next meeting of the committee? Please provide the subcommittee with a membership list of the committee.

Answer 15.
Secretary Derwinski has recently reappointed the following distinguished individuals to serve on the Veterans' Advisory Committee on Rehabilitation: Mr. Ronald Drach (DAV), Dr. Ronald Miller (BVA), Mr. William Sandonato (Abilities Rehabilitation Center), Mr. Richard Hoover (PVA), Mr. Antnony Magliozzi (Pharmacy Management Services, Inc.), Mr. Michael D'Arco (Veterans Service Commission - New Mexico) and Mr. Chad Colley (Past National Commander - DAV). Dr. Henry Betts (Rehabilitation Institute of Chicago) has been newly appointed to serve on the Committee. Arrangements are currently being made for a June meeting of the Committee.

Question 16.
I understand the Management Efficiency Pilot Program is generally considered to be a success. I'd appreciate it if you would provide for the record any waivers granted at the Central Office and local level that affect the Vocational Rehabilitation Program.

Answer 16.
The VR&C Divisions at the five participating stations have proposed 45 MEPP waivers. Twenty-nine of these waivers have been approved by VACO. Of these, six have become part of nationally implemented procedures and three are currently being incorporated into regulation changes. The local waivers were granted for word processing and local office management activities and as such do not have any impact, other than in office management activities, on the program. Copies of the VACO approved waivers are attached.

Question 17.
DVA has the authority to provide special incentives to employers who hire and train service-disabled veterans. Under this program, up to one-half of a veteran's wages may be reimbursed to the employer to cover expenses incurred for instruction, training materials, and modifications made to equipment to accommodate any limitations the veteran may have.

How many veterans were placed in jobs using this valuable hiring tool last year?

What outreach efforts have been made to familiarize employers with the availability of this program?

Have DVOPs been made aware of this program?

Answer 17. During FY 89 there were 45 new agreements established nationwide under the Special Incentives to Employers Program, placing 45 veterans with private employers.

As part of the effort to make this program known to employers, VR&E staff wrote an article which was published in the American Legion's "Economic Nuggets" periodical. The information on the program was given to the American Retailers Association and the Interstate Council of Employment Security Agencies who distributed it to their respective members. The program has also been part of the staff training activities for each VR&C field operation.

Information on the program has been distributed to DVOPs through IDESA and the program is part of the training curriculum at the National Veterans' Training Institute.

Question 18.
In your testimony you suggest that H.R. 4089 should be amended to include those eligible individuals on an outpatient status. What would be your view of expanding this still further to permit contact with eligible individuals in hospitals other than DVA and DOD facilities?

Answer 18.
We would favor the expansion of the proposal to contact eligible individuals in medical facilities other than those under VA or DOD jurisdiction for whom reimbursement is being made by the Department of Defense.

Question 19.
A provision of Public Law 100-687 authorized the use of up to $5 million annually in readjustment benefits funds for contract educational and vocational counseling.

Is this contract funding being effectively used?

What is the effect of the availability of contract counseling on the caseloads of VR&C staff?

Answer 19:
As a result of the legislation in Public Law 100-687 permitting stations to contract out counseling services for some clients, the number of counseling contracts has risen from 9 to 51 nationwide. Almost all of this contracting was done during the 1st Quarter FY 90.

Most stations are just beginning to use these services and the impact is not yet known. Because of the high workload nationwide, this area is receiving much attention during field surveys. Stations are keeping Central Office informed when submitting quarterly reports and station caseloads are being monitored on a monthly basis.

Question 20.
About a year ago, we saw a copy of "The Vocational Rehabilitation and Counseling Professional Review," an internal professional publication which emphasizes unique to the needs of disabled veterans. I'd like to see additional issues of this magazine. Are you planning to publish it again?

Answer 20.
Yes. We are in the final stages of concurrence and will soon publish the third edition of this Journal, continuing our efforts to provide Regional Office VR&C division staff members with articles and information of professional interest and practical use in their provision of services to disabled veterans.

Question 21.
How many Disabled Veterans' Outreach Program Specialists (DVOPs) are currently outplaced in DVA regional offices? In vet centers?

Answer 21.
There are 67 DVOPS currently outplaced in VA Regional Offices. Approximately one-third of this number devote 50 percent or more of their time to Chapter 31 veterans.

In February, 1990, 191 DVOPs spent approximately 6 percent of their time in 196 VA&RA sponsored Vet Centers.

32-757 (100)